DOMINION OF CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SEVENTH SESSION—TWENTY-FIRST PARLIAMENT

1-2 ELIZABETH II

BEING THE 95TH SESSION FOR THE PERIOD 1867-1953

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COMPRISING THE PERIOD FROM THE NINETEENTH DAY OF JANUARY, 1953,
TO THE NINETEENTH DAY OF FEBRUARY, 1953, INCLUSIVE

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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1953

HOUSE OF COMMONS

Monday, January 19, 1953

The house met at 2.30 p.m.

PRIVILEGE

MR. GEORGE—REFERENCE IN DEBATE TO HON. MEMBER FOR WESTMORLAND

Mr. E. W. George (Westmorland): I rise on a question of privilege, Mr. Speaker. I want to deal with the personal attack made against me by the hon. member for Calgary West (Mr. Nickle) in this house on the evening of January 15. He asked for an explanation regarding the matters he then raised, and I am glad to give him the explanation for which he asked. I make this explanation out of a strong sense of responsibility as a member of this house.

When I heard of the nature of the hon. member's speech, I naturally wished to take time to read it in *Hansard* and put myself in a position where I could verify properly all the factual references made in that speech and the one which I am making this afternoon. I am, therefore, taking the very first opportunity which has been open to me to rise in this house and reply to the hon. member for Calgary West. I propose to deal with this matter simply by laying the facts of the situation before this house.

On a matter of this kind involving the privileges of the house, and myself as a member, I recognize that it is for the house to decide whether my actions, as a member of this house and as a commanding officer of a reserve unit, have been proper or not. It is in the sense of one being concerned not only with the charge that has been made against me but with the broad principles which ought to govern the conduct of members of this house that I make these remarks today.

When I assumed command of my regiment, the 8th Princess Louise's (New Brunswick) Hussars, in January, 1951, on the death of the former commanding officer, we had an excellent unit, and it was rated as the best reserve army regiment in Canada by Mr. Ross Munro in the Edmonton *Journal* on the 17th February, 1951. In 1950 we won the Leonard trophy, emblematic of the best reserve armoured regiment in Canada.

The death of the former commanding officer created a real problem as to what would happen to the regiment, and how and by whom it would be led in the future. As second in command, in order to maintain continuity within the regiment, I felt that I was under a strong moral obligation to the unit, and to the army itself, to contribute what I could to the maintenance of the unit's excellent reputation.

The former commanding officer did an excellent job, by his initiative and application to the heavy task. I, as second in command, in Ottawa a large part of the years 1949 and 1950, was not completely in the picture when I took over the regiment. Naturally, on assuming command, I had to devote a large amount of time to the task of familiarizing myself with all the details of the unit's operations and in addition as a consequence of the change of command certain organizational changes within the unit occurred. I mention this so that hon. members will appreciate the problems with which I was faced in 1951, as a result of having assumed command.

I think that many hon. members are familiar with the difficulties faced in the administration of reserve units in a rural area. As an example I might give some details about the organization of my own regiment, and the large territory in which it carries on its operations. Our regimental area is spread over a radius of 85 miles; regimental headquarters and "B" squadron are at Sussex; headquarters squadron at Hampton and St. Martins; "A" squadron at Petitcodiac, Havelock and Salisbury; and "C" squadron at Dorchester, Sackville and Port Elgin. This is a slight change from the regimental areas of 1951, as in that year we were training in both Saint John and Moncton, but we did not have the Petitcodiac-Salisbury area.

In order to familiarize myself with the affairs of the regiment, as well as looking after the day-to-day affairs I spent most of my spare time working for the reserve army. I took no holidays, and spent any time I had, including every week end, in the interests of the reserve.

The training program for 1951 included one evening at local headquarters, and one week end per month at Sussex on corps training; three Sundays per month were used by the squadrons, one or two of them at a time, depending upon their number of personnel

and on the fourth Sunday the officers, W.O.'s and N.C.O.'s trained on the equipment. If there was a fifth Sunday, this too was often used. During the Easter and Christmas recesses tradesmen courses were conducted with about one hundred personnel attending each course. This extensive training program was carried on over the regiment's large territory; and it will be understood that, in addition to the training time, a large amount of time had to be spent in administration by the senior officers of the unit in organizing these activities.

As commanding officer of the regiment, I also have under my command the army camp at Sussex which has sufficient accommodation for a regiment, in addition to a former R.C.E.M.E. workshop which we use as a tank hangar and for stores. In addition, I have on charge the Sussex armouries, which is used by "B" squadron. I also have on my charge accommodation at Hampton, St. Martins, Petitcodiac, Havelock, Salisbury and Sackville, the tank driving range at Camp Sussex and the Sussex rifle range. Altogether, I have on my personal charge over three million dollars' worth of buildings, tanks, training equipment, clothing, et cetera. While I have not seen all the training areas in Canada, I am sure that our reserve army training facilities are among the best in the country.

No hon. member would expect that the great responsibility of administering these extensive training facilities could be properly undertaken without the devotion of a large amount of time to it. I felt and continue to feel a real responsibility for the proper use of this property and equipment, and consider it to be a necessity to spare no time or pains in this task.

Unlike the situation under active service conditions, when one had a complete establishment of fully trained personnel and when the troops were always in camp, we as a reserve unit have to make all these administrative arrangements ourselves and to provide for the transport of our troops on Saturday evening from their homes to Sussex, feed, sleep and train them, and then transport them to their homes on Sunday evening.

In May, 1951, the regiment supplied its quota to the Panda recruiting program for the 27th brigade in Germany. Teams were entered in all rifle shooting competitions. During the year I attended many unit and area conferences on training and administration. Summer camp was conducted under unit arrangements at Camp Sussex with the tank shoot being held at Camp Tracadie in the northern part of the province.

One who has not commanded an active reserve force unit has little idea of the amount of work required by the commanding officer and his staff. Naturally, the more training that is done, the more problems arise and the more personal supervision is required. As I think any other commanding officer who tries sincerely to run a truly good unit would find, I have found that running a modern reserve armoured unit absorbs virtually every bit of his spare time.

The days when commanding officers could satisfy themselves with relatively few weeks' work a year are, I believe, over. If our reserve army units are to be kept in a state of readiness to face potential wartime mobilization, then the job of the commanding officer is a big one indeed. My predecessor found it necessary in 1950 to expend the equivalent of 214 army days as commanding officer of our unit.

Regardless of whether I was in Ottawa, Sussex or at home, my officers continued to provide me with hours and hours of detailed work which I had to handle.

Whether I want to or not—and I do not want to—I cannot divorce myself from my unit during the half-year I am in Ottawa. I spend a good many hours every week doing army work such as reviews of boards of inquiry, endless correspondence, keeping in touch with my scattered sub units, and in general keeping my finger on the pulse of the regiment; all these things absorb hours of time.

For that portion of my reserve army work which I have done in Ottawa I have received the remuneration provided for by the regulations. I say that without shame or without apology. Many members of parliament, in these years when parliament has come to absorb so much time, find it necessary to conduct their affairs from Ottawa. I, too, found myself in this position in respect to my responsibilities toward the reserve army.

Like all armoured corps units in Canada, our regiment is a member of the Royal Canadian Armoured Corps association. This association annually puts up trophies for competition and there are five which may be won by an armoured regiment. As I said before, in 1950, we won the Leonard trophy. In 1951, the year under discussion, my regiment won four of the five trophies and, in 1952, we won all five of them. Here I want to pay tribute to the officers, W.O.'s, N.C.O.'s and men of my regiment for their loyal and wholehearted support. Without them, and their untiring efforts and sacrifice, the regiment would not have reached this present high position in the reserve forces of Canada.

It is said that figures do not lie, but they often can be used for a specific purpose. Certain figures were given by the hon. member for Calgary West as reported at page 1055 of *Hansard*. He suggests that during the year 1951 I was paid for 204 days of service in the army, while at the same time this house was in session for 224 days. He then makes the allegation that I was paid for services performed for more days than there were in the year 1951. In passing, I might mention that, in fact, my pay was for 202½ days' service with the reserve forces. The important point, however, is one which will be appreciated by every hon. member, namely, that the actual sitting days of this house are much fewer than the length of the parliamentary session would indicate. For example, in 1951, parliament was in session 363 calendar days, not 224 as the hon. member stated. In the first session there were actually 105 sitting days, and in the second session there were 56 sitting days, making a total of 161 sitting days.

In addition, as all hon. members are aware, during each session a member of this house is permitted 15 days of absence. In 1951, therefore, I was entitled—as was every other hon. member—to absent myself from this house for 30 days; so that in actual fact, had I claimed the full privilege of being absent for 30 days, I would have been required to sit in this chamber for only 131 days. The mere recitation of these figures will indicate the inconsistency of maintaining that I drew pay for more days than there were in the year.

My constituents and the regiment know that, as is the case with a good many other members, my family and personal business affairs suffered because of the time I have spent on my parliamentary and regimental duties. However, I can assure hon. members that I have never neglected the duties and responsibilities which are mine as a member of parliament.

As hon. members know, I am not a lawyer, but I have read the statutes and discussed this matter with my friends, and I am convinced that a person can be a member of the reserve army and receive pay for the work he does without disqualifying himself as a member of the House of Commons. I also recognize that service in the reserve forces does not change the rule regarding attendance in the house except for camps and courses, and during 1951 I complied with the house rules regarding attendance. Having done so, I felt that there was nothing to prevent my service in the reserve army, whether that service occurred in Sussex, Sackville, Tracadie or Ottawa.

That 1951 was an exceptional year for the regiment is obvious from what I have said. The death of the commanding officer, and the reorganization to which I referred, combined to create difficulties additional to the ordinary responsibilities of the commanding officer of the unit. Results of that work I have briefly mentioned. That the year was exceptional is indicated by the fact that the number of days required to conduct the affairs of the regiment was reduced from 202½ in 1951 to 133½ in 1952, and I am proud to say that the regiment won all the five trophies available to it.

I have been concerned in this address simply to lay all the facts before the hon. members. In making this explanation, I have endeavoured to keep my personal feeling out of it, but I resent deeply the imputation that I am in the reserve army for what I can get out of it financially. All these charges, implied or directly stated, I deny with indignation and with clear conscience.

I have devoted every hour I could spare to my unit, both in New Brunswick and here. The unit, I feel, reflects this. This required many, many hours of work. For that work I have been paid. For nothing else but that work have I been paid.

I have acted in the sincere belief that there is no ethical, moral or legal taint to what I have done in performing my duty as a member of this house and as a member of the reserve forces.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—REPORT OF ROYAL COMMISSION

Right Hon. L. S. St. Laurent (Prime Minister): I should like to lay on the table two copies of the report of the royal commission on the South Saskatchewan project, and to inform the house that copies are available for immediate distribution to all members of parliament.

CURRIE REPORT

TABLING OF FURTHER CORRESPONDENCE

Hon. Brooke Claxton (Minister of National Defence): Last Tuesday, I referred to correspondence regarding the Currie report, and the correspondence I referred to was entered as an appendix to *Hansard*. In order to bring the house up to date I should like to table copies of a telegram from Mr. Currie to myself dated January 10, 1953; a letter from the Minister of Justice (Mr. Garson) to myself dated January 17, 1953, reporting on the

result of the investigation of the R.C.M.P.; and a letter from me to Mr. Currie dated January 17, 1953, sending him a copy of the letter of the Minister of Justice. Since the other correspondence was printed as an appendix to *Hansard*, perhaps it would be the wish of hon. members that this correspondence be likewise printed as an appendix to *Hansard*.

Some hon. Members: Agreed.

(For text of correspondence, see appendix, page 1143.)

QUESTIONS

URANIUM REFINERY—UNITED STATES CONSULTANTS

Mr. Hodgson:

1. Has any effort been made by any department of government to secure the services of any firm of United States consultants, in connection with the construction of a new Canadian uranium refinery?
2. If so, when?
3. Were the services of any firm secured?

Mr. Dickey:

1. Yes.

2 and 3. Eldorado Mining and Refining Limited has employed the services of several United States consulting firms from time to time over the past three years, in connection with certain phases of its refining operation. The firms consulted were: Podbielniak Incorporated; Pittsburgh Lectromelt Corporation; Catalytic Construction Company; Chemical Construction Company; M. J. Udy; Komarek Greaves Ltd.; Williams Patent Crusher and Pulverizer Company; Otto H. York.

CAMP SHILO, MAN.—WATER SOFTENING EQUIPMENT

Mr. Dinsdale:

1. What firm was awarded contract No. G39-3A-494 (G23-515-67) for the installation of water softening equipment at Camp Shilo, Manitoba?
2. What was the figure for the successful tender?
3. What other tenders were submitted?
4. Is the successful firm supplying fully automatic equipment as specified in the original contract?
5. Have tenders been called for a secondary contract in connection with the Camp Shilo water softener project?
6. If so, has any secondary contract been awarded for this project?
7. Are contracts No. G39-3A-494 and No. G23-515-67 identical?
8. If so, what were the reasons for the change in designation?

Mr. Dickey:

1. The contract was awarded by Defence Construction Limited to W. J. Westaway Company Limited, Hamilton, Ontario.

2. Amount of contract—$33,931.

3. Five other tenders were received as follows: (a) International Water Supply Limited, London, Ontario—$27,597. (Tender specifications not acceptable to the Department of National Defence); (b) Stanley Brock Limited, Winnipeg, Manitoba—$36,008; (c) Power and Mine Supply Company Ltd., Winnipeg, Manitoba—$39,995; (d) Cotter Bros. Limited, Winnipeg, Manitoba—$65,500; (e) Oshkosh Filter & Softener Canada Ltd., Brandon, Manitoba—$76,204.10.

4. Yes.

5. No.

6. Answered by No. 5.

7. Yes.

8. It is standard procedure on such contracts to assign one designation while in the inquiry stage and a different designation when purchase action is started.

RADAR STATION, ST. MARGARETS, N.B.—CONSTRUCTION

Mr. Brooks:

1. How much money has been spent, on a cost plus basis, on the construction and development of the radar station at St. Margarets, New Brunswick, from its beginning until the present time?
2. By whom was the work done, and how much was paid in each case?

Mr. Dickey:

1. $3,223,688.73, on a "cost plus fixed fee" basis.

2. Diamond Construction Company Limited, Fredericton, New Brunswick.

Construction of all buildings and utilities required, $3,233,688.73.

FIRST WAR VETERANS—PENSIONS, ETC.

Mr. White (Middlesex East):

1. How many veterans of the first world war, 1914-1918, are in receipt of disability pensions?
2. How many veterans of the first world war were under twenty-one years of age at the time of their enlistment?
3. How many of these veterans were (a) Canadian born; (b) naturalized citizens; (c) from other countries?
4. Of those veterans enlisted from other countries, how many are receiving Canadian pensions?

Mr. Mutch:

1. 62,394 veterans of the first world war, 1914-18, were in receipt of disability pensions as at December 31, 1952.

2. 134,906 veterans of the first world war were under the age of twenty-one at the time of their enlistment, according to attestation.

3. (a) 318,728 veterans of the first world war were Canadian born; (b) there is no record to show the number of veterans who were naturalized citizens; (c) 300,908 veterans of the first world war were born in countries other than Canada.

4. Of the 62,394 disability pensions in payment as at December 31, 1952 in respect of veterans of the first world war, 53,651 were payable in Canada; 5,277 were payable in the U.S.A.; and 3,466 were payable in other countries.

LETTER CARRIER SERVICE, SOUTH PEEL, ONT.

Mr. Graydon:

1. What progress has been made by the Postmaster General's department in providing letter carrier service for the citizens of Port Credit, Lakeview and other sections of South Peel?
2. When will door-to-door delivery commence?
3. What steps will be taken to ensure that every residence in each of the said areas will be provided with this service?

Mr. Langlois (Gaspe):

1. All necessary preliminary arrangements have been made.

2. Service will be established as soon as possible after 90 per cent of the residences and business places have been equipped with suitable mail receptacles.

3. All residences falling within the scope of letter carrier delivery requirements and conforming to conditions set forth in paragraph 2 will receive delivery when service is established in the area.

SOLDIER SETTLEMENT BOARD—PURCHASE OF LAND

Mr. Shaw:

1. Under what date did the soldier settlement board of Canada acquire, by purchase, certain lands situated in township 44, range 25, west of the 5th meridian?
2. From whom was the above land purchased by the soldier settlement board?
3. Were mines and minerals on the said lands acquired by the soldier settlement board at the time of the land purchase?
4. Are such mines and minerals now held in the name of any department of the federal government?
5. Has consideration been given to the transferring of the mineral rights to those veterans who purchased land in township 44, range 25, from the soldier settlement board?

He said: Mr. Speaker, since there is an error in the first part of this question, may I ask that a change be made as follows: "west of the fifth meridian" should read "west of the fourth meridian".

Mr. Mutch: Subject to that correction, I should like the question to stand.

Mr. Speaker: Stand.

MOTIONS FOR PAPERS

STE. ANNE DU LAC WHARF—PAY CHEQUES

Mr. Courtemanche:

For a copy of the original pay cheques in connection with construction or repair work to the wharf at Ste. Anne du Lac, county of Labelle, between June, 1949, and November, 1952.

STE. ANNE DU LAC WHARF—PAYROLLS AND STATEMENT OF MATERIALS

Mr. Courtemanche:

For a copy of the payrolls and a statement of materials purchased for the work done to the wharf at Ste. Anne du Lac, county of Labelle, from June, 1949, to November, 1952.

OIL—EXPLORATION AND PRODUCTION, NORMAN WELLS

Mr. Wright:

For a copy of agreements entered into by the government of Canada and the Imperial Oil Company regarding exploration for oil or unit operation and production of oil in the vicinity of Norman Wells.

FAMILY ALLOWANCES ACT

PROPOSAL TO INCREASE AMOUNTS PAID TO COMPENSATE FOR INCREASE IN COST OF LIVING

Mr. H. R. Argue (Assiniboia) moved:

That, in the opinion of this house, the government should give consideration to the advisability of introducing legislation increasing the amounts paid under the Family Allowances Act to the extent necessary to compensate for the increase in the cost of living since the said act was first enacted.

He said: Mr. Speaker, it gives me great pleasure this afternoon again to have an opportunity to move a resolution similar to the one I moved at the last session of parliament, asking that family allowances be increased to an extent necessary to compensate for the increase in the cost of living since August 1944, when the Family Allowances Act was first passed.

I believe it is in the interest of Canada both at this time and in future years to see increased family allowances, and in this way help to provide better food, better clothing, better educational opportunities and better medical care for growing Canadian children.

I would hope that in the discussion of this resolution the Minister of National Health and Welfare (Mr. Martin) will not do as the Minister of Finance (Mr. Abbott) did a week ago in discussing a resolution offered by the hon. member for Winnipeg North Centre (Mr. Knowles) wherein the hon. member asked that all medical expenses be allowed as a deduction from income tax, upon which occasion the Minister of Finance adjourned the debate, thus providing the guillotine, so far as the discussion of that resolution was concerned.

I hope we have a fair discussion of the resolution now before the house. I hope, too, that members supporting the government will allow a vote to be taken, and will not talk the resolution out, so that by having a

vote we may test the opinion of the people's elected representatives on this important matter.

The Family Allowances Act was passed in August 1944, and went into effect on July 1, 1945. During the last year family allowances were paid on behalf of 4,500,000 Canadian children, and to almost two million families. Payments for the year ended March 31, 1952, amounted to $320 million. I believe those payments have resulted in some improvement in nutritional standards, in better clothing, and in better educational and medical care and facilities for Canadian children.

An increase in the family allowance at this time is an investment in the future. It will mean that our children, who reach manhood and womanhood in better health, will have the opportunity of receiving better education. It will mean that when they take their places as adults in our national life they will make a greater contribution to the production of our country because of their improved health standards and better educational qualifications. This increase in our national production will bring with it an improvement in our standard of living.

When introducing the measure in 1944, the late Right Hon. W. L. Mackenzie King, the then prime minister, pointed out that of the persons presenting themselves for enlistment in the armed services, 39·3 per cent were rejected for medical reasons. He went on to point out that if a family allowances act had been in effect in previous years it was his belief that the rate of rejection would not have been as high.

Not only will an increase in family allowances contribute to a greater production of wealth in Canada in years to come, but if this country in the future is again called upon to face a national emergency such as we had between 1939 and 1945, I believe our young citizens would be better able to come to the defence of our way of life.

When I introduced the resolution a year ago the Minister of National Health and Welfare said that perhaps I had missed a more important point, that I should have been advocating that the age limit be increased from 16 to 18 years. All I say to the minister on that point is that if the government thinks that is a better way to improve family allowances, than by increasing by some 60 per cent the basic rates, as I now advocate, I shall be perfectly happy to accept such an amendment, and shall agree that such action would constitute a reasonable improvement in family allowances for the time being.

I do feel however it is not right or fair for any government in any year to pass a social security measure and then, in years following, by permitting a condition of inflation to prevail, take away a large part of the social security effected by the measure.

The increase in the cost of living has reduced by at least 40 per cent the effectiveness of amounts received for family allowances since August, 1944. If we are to restore to the family allowance cheque the 1945 value, then the present dollar value of those cheques needs to be increased by 60 per cent. This would increase minimum payments from $5 to $8 per child per month, and maximum payments from $8 to $13 per child per month.

The cost of living index in August, 1944, was 118·9, while in November 1952 it had risen to 184·8, or an increase in that period of time of more than 55 per cent. If one looks at the main items on which family allowance payments are spent one finds that while the clothing index was 121·5 in August, 1944, in November of last year it stood at 205·5, or an increase of 69 per cent. In that same period of time the food index increased from 131·5 to 229, or an increase of 74 per cent.

I say that in view of these increases of 69 and 74 per cent on clothing and food, respectively, the suggestion I make that family allowance payments should now be increased to the extent of 60 per cent is a modest one, and something the government should implement immediately.

If one looks over some of the important food items he will find that the increase in cost is considerably greater than the general cost of living increase. For example, we realize that milk is the most important single item of diet in the life of every child, and we find that the price of milk has increased from 10·4 cents a quart in January 1944 to 21·1 cents in October 1952. This increase was brought about mainly by general inflation, and a general increase in the cost of production and distribution. But, in part, the increase was brought about by the fact that the government removed the subsidy that at one time it paid on milk.

The price of stewing beef, one of the cheaper cuts of meat, increased from 22·7 cents per pound in January of 1944 to 59·5 cents in October, 1952. Meat is a high protein food which is one of the essentials in the diet of children. I am sure that any medical man will tell you that it is necessary to good health. As I have pointed out, the cost of stewing beef increased by some 150 per cent.

The general effect of the increase in the cost of living has been a decrease in the consumption of milk. In 1946 the consumption of milk in Canada was some 60 million hundredweight; the consumption of milk in

1951 had decreased to 58,650,000 hundredweight, or approximately 2 per cent. From 1941 to 1951 the population of Canada increased 18·6 per cent. In other words, in the period from 1944 to 1952, although the consumption of milk was going down, on the other hand our population was increasing rapidly. From the figures that I have already given I estimate that from 1944 to 1952 the per capita consumption of milk in Canada went down 10 per cent.

I think part of the reason for the reduction in the consumption of milk can be attributed to the fact that the family allowance cheque was steadily losing its purchasing power. There is no one in this house who can say that Canada cannot produce all the milk that our people can consume if they have the finances with which to purchase it. As a matter of fact the dairy industry is looking today for increased markets. That industry in the face of a United States embargo on cheese and other milk products is finding it most difficult to continue efficient production. I believe that an increase in family allowances at this time would be followed by an increase in the consumption of milk and that in turn would react to the benefit of our dairy industry. The same could be said in relation to our poultry industry and in relation to our textile industry.

We have lost our overseas markets for many agricultural products. Because of inflation, because of the decrease in the purchasing power of the family allowance cheques, the mothers of Canada are finding considerable difficulty in maintaining purchases of the very commodities that are in surplus supply in this country. I advocate an increase in family allowances at this time because I think it is essential to the welfare of our children.

As I have stated, another argument that might be used in favour of an increase in family allowances is that it would provide a greater home market for our poultry, dairy and textile industries at a time when they are losing many of their former markets. The present family allowance cheque is pretty small. Five dollars per month will not buy many quarts of milk. Five dollars per month will not contribute very much toward the cost of providing for a new child coming into the home. During the debate last year I quoted an article from *Life* magazine which stated that in New York city it cost approximately $400 to provide all the things necessary for the well-being of a newly-born child. The article went on to state that the various items of equipment, the utensils and clothing necessary, might be purchased for as low as $275, but that was considered to be the rock bottom price. It would take a great many family allowance cheques to pay the cost of the things necessary to provide for the care of a newly-born child even at that lower price.

Speaking in this debate last year the Minister of National Health and Welfare pointed out that we have a large defence program. It is true that we have a large defence program, but each year, even with our defence program, the real production of Canada keeps going up. The defence program is not going to continually take up that increase in real production. In recent weeks the Prime Minister (Mr. St. Laurent) has stated that in his opinion the danger of war is decreasing. I believe the Prime Minister is right. I look for at least a levelling off—if not a decrease—in our defence expenditures.

While our defence expenditures may level off or decrease, I hope for a continued increase in the real production of wealth in this country. In recent years our wealth has been increasing at the rate of between 4 and 5 per cent annually. That annual increase of between 4 and 5 per cent in our gross national production is sufficient to cover all our social security payments including family allowances, old age and blind pensions and those made under other measures.

So we now have an opportunity to provide an increase in family allowances, partially because our defence program is likely to level off before too many months go by and because the real production of wealth in Canada is likely to continue to increase. Even if that were not so I would still advocate an increase in family allowances. In advocating an increase in family allowances I would point out that the Minister of Fisheries (Mr. Sinclair), formerly parliamentary assistant to the Minister of Finance, in a well-delivered speech in this house before Christmas argued that social security payments were transfer payments, that they were not for the provision of materials and labour for the use of the government. In other words, an increase in family allowances does not increase the burden upon the Canadian people; an increase in family allowances merely transfers purchasing power from the more well-to-do to those less well-to-do, in this instance to Canadian parents.

I say that there is a glaring need at the present time for a redistribution of purchasing power. I was amazed to read a publication put out by the dominion bureau of statistics based on the census of 1951 and entitled "Labour Force Wage Earners". That publication showed that in 1951 there were in

Canada a total of 4,085,000 wage earners. Of that number some 2,088,000 or 53 per cent received less than $2,000 a year. In my opinion an annual earning of less than $2,000 a year by a married man with two or three children is insufficient to properly clothe, to properly feed and to properly educate his children.

The same publication shows that, in 1951, of that total number of 4,085,000 wage earners, approximately 1,500,000 or 37 per cent earned less than $1,500 per year.

Going on, this official publication shows that of the four million wage earners approximately 900,000 or 22 per cent earn less than $1,000 a year. Let us take the million and a half wage earners in Canada who in 1951 earned less than $1,500 a year. Does the Minister of National Health and Welfare contend that the present family allowance cheque is sufficient to help adequately heads of families who earn less than $1,500 a year to clothe and feed their growing children. It is nearly impossible for those parents in that 37 per cent of working Canadians to feed and clothe their children adequately. I know that even the increase I suggest would not guarantee proper food and clothing for all children for whom family allowances are paid, but it would be a substantial contribution to that end.

Over the years that family allowances have been paid I feel that the mothers of Canada have spent the money as it was meant to be spent, for the betterment of their children. I think that is borne out by the fact that, according to the last annual report, since May, 1947, only 136 prosecutions were successfully completed. When one bears in mind that there are some two million families receiving the family allowance, I think it is clear that almost without exception the family allowance cheque is used for the purposes for which it was intended. Therefore if it is used for the purposes for which it was intended and if, as is correct, a million and a half wage earners in Canada earned less than $1,500 in 1951, surely it is time for the government to give sympathetic consideration to increasing the family allowance, and I suggest to the minister and the government that legislation should be introduced at this session of parliament to increase the family allowance by not less than 60 per cent.

The question needs to be answered as to whether Canada can afford such an increase. I believe we can. I admit it is a considerable amount of money but I believe it can be paid, as I have said, out of our increased wealth production. I estimate that a 60 per cent increase in the family allowance would cost $192 million. Our gross national product for the year ended March 31, 1952—

Mr. Martin: Will the hon. member permit a question? The figure of $192 million was for what?

Mr. Argue: I am sorry, I did not hear the minister.

Mr. Martin: I should like to ask my friend whether, when he quoted a figure of $192 million, it had relation to what the increased expenditure resulting from this proposal would be.

Mr. Argue: Yes. That is my estimate based on the cost for the year ended March 31, 1952, which was listed in the annual report as $320 million. The minister may have some figures that are more up to date, but I do not think the estimate would be far out in any event.

Mr. Gibson: Barnyard economics.

Mr. Argue: What kind do you follow, rule of thumb?

Mr. Gibson: Just the opposite to yours.

Mr. Argue: I wonder what the hon. member would say about the motion. I hope he is not suggesting that he opposes it.

Mr. Gibson: I think so.

Mr. Argue: I estimate that an increase of 60 per cent in the family allowance would cost the national treasury an additional $192 million in any one year. Our gross national production for the year ended March 31, 1952, was some $21·2 billion. The 60 per cent increase in the family allowance that I am advocating represents less than 1 per cent of the gross national production. Let us take a look at what has been happening to the share of the gross national production that is being used for family allowances. In the fiscal year 1946-47 $245 million was spent on family allowances. Our national wealth production in that year was some $12 billion. In other words, 2 per cent was paid out of our production in 1946-47 for the purpose of family allowances.

For the year ended March 31, 1952, the amount paid for family allowances had increased to $320 million but our national production had increased to $21·2 billion, and family allowances in 1951-52 represented only 1½ per cent of our national production compared with 2 per cent in 1946-47. The suggestion I make is that the percentage of our national production that is used to provide family allowance payments should not be allowed to decrease, and most certainly not to the extent of 25 per cent over a five-year period. Instead of the government marching

forward with improved social security measures, it has allowed our social security program, so far as family allowances are concerned, to go backward rather than forward.

As I have already said, the Minister of Fisheries put the payment of family allowances in proper perspective when he said it was not taxation on materials and labour for use by the government but was a transfer payment. It was taking certain moneys from well-to-do Canadians and helping to redistribute and reallocate our purchasing power so that mothers, especially those in the lower income groups, might be better able to provide for their families. Such a redistribution in purchasing power might mean for a few people a reduced number of trips to Bermuda, Florida and California. Perhaps they could make one trip fewer in a lifetime without any serious result. A redistribution in purchasing power might mean fewer mink coats but it would mean more children's snowsuits. It might mean fewer Cadillacs driven in Canada but it would mean that mothers would be better able to afford baby carriages and children's go-carts. A redistribution of purchasing power so as to bring about an increase in family allowances might result in the use of less champagne but more milk.

In my opinion such a redistribution in purchasing power for the benefit of Canadian children is long overdue. I recommend this resolution to the house for serious consideration. I believe that in our democracy we dare not allow our social security measures to stand still. Democracy is on trial throughout the world, and if we are to prove to our Canadian citizens and to the world at large that democracy is the best type of political system anywhere in the world, as we all believe it to be, then it is essential that year after year we add to and improve our social security measures.

I do not expect that I shall live to see the day when, in my opinion, social security measures are adequate. It is something you must work at year in and year out. I believe the year 1953 is the time when this government should bring before parliament legislation which would provide an increase, as I have said, of at least 60 per cent in family allowances. It would not increase the real purchasing power above that prevailing in 1944, but would merely restore to the family allowances cheque the purchasing power that was represented by such an amount when the act was first enacted in 1944. If we do that, as I hope we shall, then the time may not be too far distant when there should be an increase in the real purchasing power of the family allowances cheque. I feel this legislation has proven to be of value, and that an improvement in the legislation by way of increasing the purchasing power of the family allowances cheque will result in our Canadian children being better fed, better clothed, better educated, and will give them an opportunity of more adequate medical services.

I believe that such a program is an investment in Canada's future. It will not cost anything in the way of reduced production of the nation but is, in fact, merely a transfer of purchasing power from the well-to-do to those who need it most, namely, the mothers of families in the low wage group, particularly the group to which I have referred, the 37 per cent of all wage earners in Canada who in 1951 earned less than $1,500.

Mr. F. H. Larson (Kindersley): I could not take very serious issue with the hon. member when he feels that family allowances should be continued and increased as we can pay for them. He has made an impassioned appeal to many classes in this country, including labour, the textile industry and the dairy industry. There is only one particular class to whom he did not make a very serious appeal, and that is the taxpayer. It is not the man who drives the Cadillac or the lady who wears the mink coat who pays the largest amount of taxes in this country, but the ordinary person like the hon. member and myself. We pay indirect taxes on practically everything we use. Most of the revenue of this country comes from that source.

Another matter I should like to discuss is the fact that the family allowances were never expected to cure all the economic ills of this country. In other words, people were raising families in this country long before family allowances were conceived, and the head of the family was expected to provide what the family needed. Children were born, grew up and were educated, and the head of the family provided for their education and their maintenance.

Several years ago the former leader of the Liberal party in Canada, who was prime minister at the time, felt that our greatest investment should be in the future, in the children of the country who would grow up to be the men and women who would govern the nation and produce what the country required. I understand that when he mentioned family allowances to his cabinet they were an unheard-of thing. The cabinet did not know what he was talking about, and did not believe that that was

the part of government at all, to give money to parents for any purpose without its being earned. Finally, he impressed on the people of this country that they had a duty to the children and future of the nation, just as much as they had a duty to grant a pension to the people of the country who had passed their ability to earn. The idea of giving money to young families was an unheard-of thing. The subject was not brought up on the floor of the house or any other place except there. It was an idea that originated right in that place.

As a result the Liberal party, which was in power at the time, passed the family allowances bill, so that the people of this country now have something that very few countries in the world have. The money that is paying for this measure is coming out of the taxpayers. We are a step in advance of practically every country in this world by reason of this legislation. Like the hon. member, I feel that all this social legislation should be advanced just as quickly as it is possible to advance it. I feel also, and very strongly, that there are countries in the world that have gone overboard for social legislation. They have brought themselves into a position where they are financially embarrassed by the amount of money they are paying out in social legislation. We must remember that if the economy of this country is working at top speed, it can produce jobs which enable the heads of families to make money to raise their children.

I recall that during the thirties young people were going together for years and years, but were unable to get married and raise families because they could not get jobs that would pay enough to allow them to do so. Today we find that young people going together can afford to get married while they are young because we have a sound economy which will allow them to get jobs, to go into farming or industry, and thus set up homes. Let us consider a country which would be loaded down by taxes in order to pay for excessive social services. Practically everything that was produced would go to the government, and the government would dole out these various social services like family allowances, medical services and the others. We would find that the economy of the country would become tighter because people could not earn the money they needed.

I feel that family allowances are very important, and I feel that as soon as we can collect enough money from the taxpayers to increase those allowances we should do so. But I believe that our one great aim should be to see that everyone in this country has an opportunity to get a job that will pay enough money to keep a family. Then our family allowances program, as it goes forward, could supplement the income that the father earned. As I say, I am not greatly opposed to the measure the hon. member has brought forward. I am in favour of family allowances, because I certainly support wholeheartedly the government that conceived them, introduced them and is paying them now. As soon as it is felt that we can afford to increase those allowances, then I shall be in favour of that.

One thing we must remember is that we cannot burden the country by these transfer payments as they are called, to the point where a person who is trying to get ahead and expand his business finds himself under a load of taxes which will not allow him to do that. For that reason I feel we should go carefully. Once again I want to say that I am not opposed to the proposal, but at the moment I feel that we have gone about as far as we can in that particular direction. I believe that our biggest job is to provide the young parent with a good job at an adequate income, and do the other things necessary to keep our economy sound. Whatever we can do, in addition, to give increased family allowances, I feel we should do.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I am going to take about two minutes to speak in support of the motion. The family allowance was introduced to fill a gap in the earning power of many of the family wage earners in this country. At the present time it is insufficient to fill that gap and to serve the purpose for which it was designed. I believe, however, that there are one or two other considerations which the government should take into account at the present time. The first is that, in my opinion, a larger income tax exemption should be allowed for those who are receiving the family allowance. At the present time the exemption is pretty much of a joke. But more important than that point is this one. Before any increase is given, I believe that consideration should first be given to the extension of the age limit beyond 16 for those children who are carrying on with their education. In many cases, among the lower income families, we find that the children have to quit school after 16. As a result of that fact their productive capacity in later life is restricted.

As I say, we agree that the family allowance is inadequate at the present time and we should like to see an increase in it. But at the same time I think that consideration should first be given to those children over the age of 16 who wish to continue their education. What the age limit would be is something I would leave to the Minister of

National Health and Welfare (Mr. Martin). But in many cases the children are forced to quit school immediately upon reaching the age of 16 because the family income just does not allow them to go on.

As for the hon. member who has just taken his seat, and his saying that it was something unheard of when the federal government proposed this particular piece of legislation, I am not going to say too much except that it is an application of the dividend that has been advocated by the Social Credit members of this house since 1935. It does not go as far as we should like to see it go. The money does not come from the same place that we should like to see it come from. Nevertheless, we dislike the idea of the government's getting the credit for adopting something that we have been advocating for years.

Mr. A. F. Macdonald (Edmonton East): Mr. Speaker, I would have had little to say on this resolution had it not been for the contribution of the sponsor of it and that of the hon. member who has just spoken, namely, the hon. member for Wetaskiwin (Mr. Thomas). Some months ago, being intensely interested in the over-all picture of social security, particularly as it applied in the province of Alberta, I took the time to examine and to inquire with regard to family allowances and other social security measures such as health care and pensions for the aged. I learned that every month there flows into the province of Alberta an amount of $1,800,000. This amount goes into 140 thousand homes and provides a better opportunity for more than 300,000 children in that province. We all know that this means that the mothers and fathers in the province of Alberta have each year $21 million extra to spend on the care of their children. All of this $21 million is paid out of the federal treasury. It is paid entirely by the dominion government.

Mr. Johnston: Where do they get the money from?

Mr. Macdonald (Edmonton East): It can only come out of the pockets of the taxpayers; it can come only out of the taxpayers who work hard to put it into their pockets.

Mr. Johnston: It comes out of the people of Alberta in taxes. Why does the hon. member not say it plainly?

Mr. Macdonald (Edmonton East): Because of these allowances, the children are able to get better food than they ever before had, and certainly more than they received eight years previously, before this good social measure was adopted. They are able to get better medical, dental and optical care than they ever before received. In every part of Alberta, as in every part of Canada, because of the allowances there has been a great improvement in school attendance. In fact, someone has said that family allowances are Canada's best truant officer. Because of family allowances, thousands of our children are now able to get the equipment they need in order to take part in sports and other recreational and cultural activities. These opportunities were not always open to them before the introduction of family allowances. By helping to relieve the fear of want that presses on every home where family incomes fall short of family needs, family allowances have given new hope and new faith in the future to a great many thousands of the parents of these 300,000 children who were recipients of family allowances in Alberta last year.

I have heard some suggest that the introduction of family allowances was a dangerous thing. Those people had little faith in the integrity and the sense of responsibility of the mothers and the fathers of this nation. After eight years' experience with this program we all know that the federal government's trust in the parents of this country was well placed. Experience has clearly shown that, in every part of the country, the allowances are being spent wisely and well to provide better food, clothing, health care and education for our nation's future citizens.

However, in the discussion of family allowances I believe that we are being insular when we think that it is the one form of social security to which the people expect us to give particular consideration. Family allowances are good, but there are other matters that we must consider. In 1951 the federal government enacted a vast new program of old age security. That program, in the generosity of its provisions and in the breadth of its coverage, is unequalled anywhere else in the world. Under our federal old age security program no less than 37,250 —and I am speaking of Alberta citizens only —receive more than $1,500,000 every month, which is paid entirely—every last cent of it—by the federal government, and without a means test of any kind.

Mr. Johnston: Out of the taxes of Alberta.

Mr. Macdonald (Edmonton East): Federal expenditures on old age security alone in Alberta amount to something more than $18 million a year, and this is in addition to the federal share of the old age assistance payments to those in need between the ages of 65 and 69. Through this self-respecting pay-as-you-go pension program the federal government has extended responsibility for

the care of our senior citizens beyond the family circle, to take in the community and the whole nation. This program finds its purpose in the neighbourly instincts of an entire people and its fulfilment in their unselfish resolve to provide a better, more secure life for those who have grown old.

Every one of us can take pride in the fact that Canada is the first nation to pay a full scale universal old age pension without a means test. In looking at this whole picture of social security, of which a very important part is family allowances, may I say that family allowances and old age pensions help provide for the needs of the young and the old. But we have something else in addition in this nation, partly promoted by the federal administration, namely, our national health program.

Mr. Johnston: Where is that?

Mr. Macdonald (Edmonton East): That provides for better health care for everyone in Canada. Since the hon. member who has just interrupted me comes from Alberta—

Mr. Johnston: I did not say "what is it?" I said "where is it?"

Mr. Macdonald (Edmonton East): —I welcome his interruptions, and probably for his enlightenment I should tell him what the national health program means to the province of which he represents an important constituency in this chamber. Under the national health program, Mr. Speaker, more than $3½ million was available to the province of Alberta last year to help provincial authorities increase our hospital accommodation and improve our general health services. This program of national health grants, established a little over four years ago, is without question the greatest single event in the health history of this country. Since the program began, more than $11 million has been made available to improve health standards throughout Alberta.

Federal grants have been used for a thorough survey of the provinces' met and unmet health needs. The report of the health survey committee contains important recommendations regarding hospitals, nursing services, dental services, public health services, the care of crippled children, cancer control, mental illness, the control of tuberculosis, and many other matters vitally affecting the health of the people of the province of Alberta. Other federal health grants will be used to help implement these recommendations.

Moreover, I should like to tell the hon. member who interrupted me that for hospital construction alone in the province of Alberta more than $2 million in federal grants have been given to thirty-five individual hospital construction projects to help provide more than 2,000 additional hospital beds. Through the federal grants, additional training has been given to 400 physicians, nurses, social workers, psychiatrists and other health workers throughout Alberta. Grants have also been used to help establish Alberta's nursing aides school in Calgary where more than 700 nursing aides have already received training.

Substantial numbers of trained health personnel have been employed with the aid of federal funds to keep health services united throughout the province of Alberta. Other grants have been used to establish and operate new health units. In Calgary and Edmonton, federal grants have been used for the purchase of equipment and for the establishment of cerebral palsy clinics, well-baby clinics, and the development of immunization programs.

I would not have gone into this and other matters in such detail if the question had not been asked by the hon. member for Bow River as to what the federal government were doing with the money that they were collecting in taxes from Alberta. I say that through these and other responsible social measures, administered by the Department of National Health and Welfare and other federal agencies, effective steps are being taken to safeguard the health and welfare of the citizens of Alberta and of all Canada. I know that everyone will agree with me that each of these measures has been developed to meet a real need, but always within our capacity to afford.

Family allowances, old age pensions and the national health program are good in themselves, and I support them; but there is one thing that we should never forget, that our responsibilities as members elected from the constituencies are to give the kind of leadership that our constituents require from members attending sittings in this chamber. We should never forget that this social security program is built upon our system of free enterprise. The success of every social measure depends on the encouragement given to individual initiative because, in the long run, it is the hard work of the Canadian people, of whom I am one, that makes these measures for social security possible.

Just this week I had the opportunity and the privilege of being present when representations were made by representatives of the sightless people of Canada. They too have

a problem that must be reviewed; they too have something that the minister, I hope, will give every consideration to and resolve in the way in which they wish it resolved. I have told the minister that, if he resolves it in the way they suggest, it will have my blessing as one member of this house.

Mr. Johnston: That ought to help a lot.

Mr. Macdonald (Edmonton East): The hon. member will have an opportunity to make his own speech.

This proposed resolution to increase family allowance payments by $192 million is something that takes more than just a moment's consideration on my part. We have a fine system of social security in this country. In addition to having the basis of the family allowances established as it was eight years ago at the amounts that are now payable, we have made it possible for the largest working force in Canada's history to be employed and earning fair wages, good wages compared with those paid a few years ago. There is room for improvement in the wages that are being paid to the people who are working; but the hon. member for Bow River well knows that in the province of Alberta we have never enjoyed such prosperity as has been brought to the citizens of that province by the manner in which the affairs of this country have been conducted by the federal administration.

Mr. Macdonnell (Greenwood): Did they put the oil there?

Mr. Ferrie: No, but they sold the wheat, and wheat has got more to do with it than the oil.

Mr. Macdonald (Edmonton East): I hope that the Minister of National Health and Welfare (Mr. Martin) will use his usual good judgment. He is in his seat, and listening attentively to the remarks of hon. members on this resolution. I would ask him to make sure that it is within our ability at the present time to pay another $192 million a year to increase by 60 per cent the family allowance figure set out by the hon. member who proposed the resolution.

This is one form of social security I wish to see retained on the statute books; and if it is ever going to be increased I want it to be increased to an amount we can sustain for all time to come.

I would hope that when the minister speaks he would take into consideration the amount of money involved, and that he would consider the resolution and, in the light of the amount of money available from the taxpayers of this country, consider the possibility of supporting an increase in this form of social legislation.

Mr. E. T. Applewhaite (Skeena): Mr. Speaker, I welcome the opportunity provided by the resolution to speak briefly on one aspect of the family allowances question which is of particular concern to me. Before doing that however may I say that I most certainly welcome anything which would place more money at the disposal of the Minister of National Health and Welfare (Mr. Martin) to be spent for the benefit of the people of Canada. I feel confident he would enjoy spending it for that purpose, and that he would spend it wisely. What I do not know, however, is whether, if he had an additional $192 million at his disposal at the moment, he would decide that this particular method of spending it is the best one, or whether there may be other even more pressing social problems now facing us.

The aspect of the problem with which I am more particularly concerned and of which I am more appreciative is the payment of family allowances to our native Indian population. I feel sure that interest in the mental, physical and moral welfare of our Indian population is not confined to any one political party, and in these observations I am not trying to play politics. Indeed, I would give due credit to hon. members on the opposite side of the house, just as I would to those on this side who have shown clearly that, irrespective of political affiliations, they have the interests of the Indians at heart.

I believe there is no hon. member who speaks as the official spokesman for the Indian population, and there are only a few of us who represent ridings in which the Indians are a major factor. In my constituency they form a large percentage of the population. I have had some opportunity to see how family allowance cheques have influenced and affected the lives of the Indians.

The annual report of the Department of National Health and Welfare for the year ended March 31, 1951, states that there were 57,587 Indian children in 20,014 families receiving allowances as of December 31, 1950. I regret to say that in the departmental report for the following year there is no comparable statistical figure; the actual figures for the Indians have not been set out. May I suggest incidentally to the minister that in next year's report those figures should be included.

I have no doubt however that the figures, if they were shown, would indicate an increase comparable with or greater than the proportion of increase among the rest of the

population in Canada. At page 93 of the departmental report which I have indicated I find this:

> It is the opinion of the Indian affairs branch that family allowances have been a very important factor in the continued improvement noted in school attendance and enrolment records. Reports from the Indian affairs field staff continue to indicate that the payment of family allowances is making a substantial contribution to the better health of Indian children generally.

There is no doubt whatever that, even in districts as far away from centres of civilization as that which I represent, there has been a very general improvement in conditions among the Indians. God knows, and I trust the Minister of Citizenship and Immigration (Mr. Harris) will note, that there is still ample room for improvement. At the same time we are gradually improving the lot of those people whom, for many years, we failed to help to any great extent. During the last fifteen or twenty years, I believe, we have developed a social conscience which has extended to our Indians as well as to our other countrymen.

I do not know to what extent the improvement among the Indians is due to family allowances, but there can be no doubt that they are a contributing factor. There are of course other contributing factors this government has brought into operation, and there are other things for which perhaps the government cannot take a great deal of credit.

After all, there has been an extension of civilization westward and northward. As I said before, there has been a development of our social conscience, apparent not only among politicians but among others as well.

Coming to the resolution, I would point out that there is a point which may or may not be profitable or advantageous at election time, but which in my view should now be emphasized by someone. In Canada the prime responsibility for the children still rests with the parents. If we should reach a stage when the first responsibility for bringing up children passes from the parents to the state, we will have come dangerously close to the moral, or immoral, system adopted in Russia.

At the same time it is only right that we should consider the basic reasons for the inauguration of family allowances. Put briefly, as I understand it, the situation is this: A single man may work side by side with a married man who has three children. They may be doing exactly the same kind of work and, under our industrial system, both will draw the same pay. Yet one has far greater responsibilities than the other.

So in our governmental system we have endeavoured to assist in equalizing the burden.

The family allowance cheque is not the only assistance given. A far greater assistance, proportionately, is given by income tax deduction allowances for children. There are other and less important forms of assistance, such as medical deductions permitted in respect of members of a family. At the same time I think we are in danger of overlooking what I consider a basic and important fact, that family allowances were not introduced for the purpose of having the state bring up or assume the responsibility for feeding and clothing our children; they were brought in, as was the dependents' deduction for income tax purposes, in order to bring about a levelling of burdens and responsibilities.

In so far as the actual proposition put forward in the resolution is concerned, I suppose it is a tying of the family allowances to the cost of living. The resolution does not say so in so many words and I do not want to distort the resolution, but it reads in part:

> —increasing the amounts paid under the Family Allowances Act to the extent necessary to compensate for the increase in the cost of living . . .

To all intents and purposes I think that is tying the family allowance cheque to the cost of living. Should a catastrophe occur and a depression of major proportion engulf us, and as a result the cost of living be reduced to one-half of what it is now, I assume the hon. member would not be able to object to reducing family allowances to the same extent.

I would be strongly against a fluctuating family allowance cheque, one which would go up a few cents, down a dollar, up a few cents and down a few cents as the cost of living varied. I speak of this with knowledge as I have discussed it with heads of families. They tell me that they are able to budget better with a fixed dollar income than they would be with a fluctuating cheque, even though prices might vary. I do not know why that should be. Perhaps it indicates one of the shortcomings of human nature, but I am told that a steady income is easier to spend in advance, to budget, than is a fluctuating cheque which might always be a little behind the variations in prices.

There is another aspect of this matter which I think the hon. member for Assiniboia (Mr. Argue) has inadvertently overlooked. No one can argue that there has not been a tremendous increase in the cost of living, but that has been accompanied by an increase in prosperity, that is, by an increase in the funds in the hands of our

people. The higher cost of living is, at least to some extent, the result of wages being higher, of the prices paid for the produce of primary producers being higher than they were at the time the act was first brought in. Parents have more money; they have more dollars today than they had when the cost of living was 100. That may not be the whole answer to the problem which the hon. member is trying to solve, but I think it must be taken into consideration as being quite a factor.

The example I am about to give is taken out of thin air and may not be entirely tied to facts. Let us assume that the cost of living is up 100 per cent and at the same time that the income in dollars of a family is up 75 per cent. You cannot maintain exactly the balance that you had at the base period by raising the family allowance to take care of the cost of living index unless at the same time you make some allowance for the income increase. I do not know how that formula can be worked out, but I do say that the assumption that people earn no more in current dollars than they did in 1939 dollars while the cost of living has gone up by approximately 100 per cent is surely not correct.

In his speech, more than in his resolution, I regret to say that the hon. member for Assiniboia gave me the impression he was rather pounding upon what I am afraid has been the theme of his party for recent years, that is—give, give, give. They have advocated, doubtless at times quite justifiably, increased family allowances, increased old age pensions, disablement pensions, health insurance, relief for the needy and so on and so on. I favour them all; we all do. But unfortunately the same opposition—it is all opposition—which day after day hounds us on this side to approve resolutions advocating the expenditure of millions of dollars are continuing to needle, perhaps not me but the Minister of Finance (Mr. Abbott) and others to reduce the tax burden.

I do not think anyone wants to take a hard and fast line and say that nothing can be increased or that no tax can be reduced, but, my goodness, we have to use some judgment. We have to decide what are the important things that we want to increase before we can decide what there is going to be in the way of reductions. I think it was the hon. member for Wetaskiwin (Mr. Thomas) who stated that greater assistance can be given to the heads of families by increasing the income tax deductions for children than by a 60 per cent increase in family allowances.

Unfortunately the situation is that if we are going to carry out all the requests which have been made by my hon. friends of the C.C.F. we will eventually land in one position only: the government will take the whole of the pay cheque in taxes and then undertake to feed, clothe and shelter the people of Canada. I do not think that we want that. I have pointed out that danger and we are getting closer to it all the time.

That does not mean for one minute that anybody on this side is suggesting that we have not a continuing duty to correct inequalities which involve hardship for certain classifications of our people. Sometimes the groups upon which these hardships are inflicted are fairly small in number and not very vocal. We must not overlook that there may be some of them who are far less in number than are the heads of families. I should think that to ensure that those inequalities and hardships are removed is a more pressing problem at the moment, with the Canadian economy as it is, than to increase family allowances.

So far as an increase in family allowances is concerned, I feel that, as long as we have the present Minister of National Health and Welfare (Mr. Martin), as soon as an increase in family allowances is feasible and desirable, we will get it.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I want to say a few words on this resolution. I had no intention whatever of saying anything but some remarks that have been made make it necessary for me to say a word or two on this occasion. The hon. member for Edmonton East (Mr. Macdonald) went out of his way to make certain remarks to which I want to refer.

An hon. Member: Facts.

Mr. Johnston: For the most part he read from a prepared speech, although he said that he would not have spoken if it had not been for certain references made by the hon. member who moved the motion and the hon. member for Wetaskiwin (Mr. Thomas).

Mr. Macdonald (Edmonton East): I rise on a question of privilege.

Mr. Johnston: The greater proportion of his speech was prepared, and outside of a few interjections—

Mr. Deputy Speaker: Order. The hon. member is rising on a question of privilege.

Mr. Macdonald (Edmonton East): I should like to make it clear that I was not reading from a prepared speech. I spoke extemporaneously from a wide knowledge of the question of social security that I gained from a particular study I made recently of the provisions—

Mr. Johnston: What is the privilege?

Mr. Macdonald (Edmonton East): —of the federal health program and other social security measures as they pertain to the province of Alberta. I would not have spoken at some length upon this matter if it had not been for a question by the hon. member for Bow River (Mr. Johnston), who is now speaking.

Mr. Johnston: Mr. Speaker, I suppose because there is likelihood of an election in the offing that my hon. friend was a little more persuaded to make the speech he did. That thought particularly runs in my mind, having listened to the way he praised the federal government for all the money they were spending not only in other parts of Canada but in Alberta. Of course the hon. member is going to be re-elected in Alberta, he hopes.

An hon. Member: Sure he will.

Mr. Johnston: I could not help but be impressed that the whole emphasis of his speech was on the amount of money that the federal government had spent in Alberta and how little the provincial government had spent. As a matter of fact the hon. member should have gone on to point out that the federal government has not spent any money in Alberta other than that which they got from the province, and they got much more than they gave back in the form of services. I was amazed at the hon. member for Edmonton East when he said that we really could not afford at this time to provide another $192 million for family allowances for the needy people of Canada. I think that is the amount he stated would be involved in this increase. For the last two or three weeks, Mr. Speaker, the house has been discussing thefts in the armed forces which probably amount to a great deal more than that and yet members on the government side have said: Oh well, you have got to expect such thefts. What is a few million dollars here and there when the thefts are by members of the armed forces including those of higher ranks or, indeed, by people in other positions? Yet we cannot afford $192 million for people who are in dire need of assistance. My, we must be a poverty-stricken nation if $192 million will bankrupt us.

The hon. member spoke about $1½ million being given to Alberta for family allowances alone. That may be true. I have not got the figures with me. I do not have a prepared speech before me as did the hon. member. It must not be forgotten, however, that the 1½ million was taken from the province of Alberta by the federal government in the form of taxes before they gave back this paltry amount. As the hon. member for Peace River (Mr. Low) says, they are giving back somebody else's money. Nobody is trying to belittle what the federal government has done toward inaugurating a national health plan, but there again let me remind hon. members that it was a Liberal government that promised in 1919 to do something about a national health plan, and that after all these years we would not have got to the place where we are now if it had not been for constant prodding by the members of the opposition.

I do not hesitate for a moment to give the Minister of National Health and Welfare (Mr. Martin) all the credit that is due him for providing such assistance to the people of Canada in the form of health services as he has made available. I do not say this to flatter him—I do not often flatter anybody on that side of the house—but I think he would have gone much further if he had been permitted to do so. The hon. member for Edmonton East spoke about $2 million being provided for hospitals in Alberta under the national health plan. I suppose the figure of $2 million is correct, but that only goes to show how much the province of Alberta has done on its own, and that province is only one out of ten. When the federal government gave $2 million for hospitalization that was also the amount that the province of Alberta put up because it was on a fifty-fifty basis.

I am glad that the hon. member for Edmonton East used the province of Alberta for purposes of comparison because it stands far ahead of any other province in the Dominion of Canada so far as health services are concerned, and Saskatchewan of course follows along closely behind. Alberta has taken the lead in the field of health services, so it is no wonder that the hon. member for Edmonton East can boast of what the province has done for the health of its people. It has not only done that but it has paved the way for all the rest of Canada. You know, Mr. Speaker, it is a peculiar thing to me when I hear some members on the government side get up and make excuses as to why we cannot increase the family allowance. They point out that the federal government is giving old age pensions of $40 a month without a means test. I would not be too proud of that. The other day I was speaking to old age pensioners in Calgary and they were asking for increased pensions. One old fellow got up and said, "We hardly have enough to eat". It seemed rather peculiar that there should be people in that audience who were actually hungry.

Mr. Whiteside: Give them some Social Credit money.

Mr. Johnston: I am coming to that. Don't worry. It seemed rather peculiar that there should be people getting up and asking for another loaf of bread and yet the Liberal government and those who support it say that we cannot give another loaf of bread when we have millions and millions of bushels of wheat in this country that we do not know what to do with. Last year we had the largest crop in the history of Canada by over 100 million bushels. We had no place to put it and yet we cannot give the old age pensioners another loaf of bread. Why? Because, as my hon. friend interjected, we have not got any Social Credit money. Just because we cannot find that little piece of paper to distribute purchasing power to our people we have to deprive them of a loaf of bread when we have millions of bushels of wheat that we do not know what to do with. What kind of thinking is that? Of course, I suppose that is what you would expect from people who have never stopped to discuss or think about the matter.

My hon. friends take some pride in saying that family allowances were introduced by a Liberal government. One of them went on to point out how the family allowance increased the purchasing power of the people receiving it and thereby helped all the people of Canada. Yes, that is true. I remember when the then prime minister introduced the bill years ago. When speaking on this very subject he pointed out that by giving people the family allowance, money, mind you, that was never worked for, it would increase their purchasing power. He said it would not only raise their standard of living but would raise the standard of living of everybody in the country because it would provide a greater market. Those words are the very words that have been used by Social Crediters ever since we have been coming to the House of Commons, and even before that out on the hustings.

In 1935 when we were advocating the issuance of a national dividend, not the printing of money wholesale but based on our production alone, every one of the members on the other side criticized us. They said, "How are you going to give money to people unless they go out and earn it?" They said it could not be done, that it was silly. My hon. friend wanted to know something about Social Credit money. The people are now getting this national dividend, and they do not have to go out and work at a job to receive it. It has added to the purchasing power and is raising the standard of living. It is increasing the prosperity of everybody in Canada. I should like to have a Liberal member get up now to deny that point. The Liberals did lots of denying before the Prime Minister of that day brought in the legislation. Now they sit silent. They do not speak about a national dividend because, to a degree, that is exactly what it is.

One of the last speakers indicated that there were other ways of giving this assistance to these people. One means was through an income tax deduction to married people with families. Family allowances were not given to assist those in the higher brackets who can pay income taxes; they were given for the primary purpose of assisting those who had not sufficient earning power to pay income taxes. How does he arrive at the idea that an income tax deduction would assist these people when they have not sufficient income to pay income taxes? Surely we have not come to such a financially depraved condition, when we live in such a prosperous country as we say Canada is, that we cannot afford to give these people a little added purchasing power to afford them a better standard of living than they now have. You do not have to go to the province of Alberta to find that condition. Let me tell you that there are such conditions in both Quebec and Ontario, as well as the city of Ottawa.

Then another hon. member spoke about how inflation had assisted the people who are receiving family allowances; how it had increased the number of dollars in their pocket. It has, to a degree; but it has not greatly increased the number of dollars in the pockets of those people who really need family allowances or old age pensions. They are on a fixed income, and it is very low indeed. They can hardly eke out an existence, let alone live in any semblance of prosperity. It must not be forgotten either, Mr. Speaker, that it was under this administration that our dollar has been depreciated to the point where it is now worth only about 50 cents. Inflation has been a help to those people who have increased the number of dollars in their pockets, but it has hit at the very root of this problem of family allowances. It has hit those people the hardest who need the assistance, and has not increased the number of dollars in their pockets. Their lot has been made much worse.

How is the hon. member for Edmonton East (Mr. Macdonald) going to assist the people who really need this help? Surely he would be the last person to say that there are not a great many families in Canada who need it. The question we should ask ourselves, Mr. Speaker, is not whether or not we have sufficient money to increase these family allowances. We should ask ourselves, can Canada afford it? I believe that is a different problem. If this country could produce the

goods and services to increase the standard of living of these people who are in dire need, then there should be no question as to whether or not they will get it. It should be forthcoming.

From the agricultural point of view and the industrial standpoint, this country is richer by far than it ever has been. In fact we have come to the point where our agricultural production is increasing so rapidly that the farmers are saying we shall have to control production because we have not an export market. Those people who speak that way, and those people who say that we cannot afford family allowances are forgetting that when you export you must import, unless you want to give the goods away. When you import goods you must make provision for consumption in this country. The only way you can do that is by increasing our standard of living. Accordingly, it would seem that the best market for everything we can produce, either in the primary or secondary industries, lies right in Canada. We can help ourselves by helping those people to get an increase in family allowances.

Can we afford it? Last year our production was close to $22 billion. Just before Christmas the Prime Minister (Mr. St. Laurent) stated that this country was more prosperous than it had ever been before.

Mr. Dupuis: True.

Mr. Johnston: Then why do we refuse to give a little bit more in family allowances?

Mr. Dupuis: We do not mind allowing a little more if we can afford to give it.

Mr. Johnston: I have just been trying to tell you that we can afford it.

Mr. Dupuis: This is just election talk.

Mr. Johnston: That has been the trend of Liberal thinking, that we have not enough dollars. It is not a case of whether we can produce the goods and services. It is time we got out of that line of thinking, and then we would not have these poor indigents coming up here and asking for a loaf of bread. We have members of the government standing up and saying that we cannot afford it.

We have not come to the point yet in our thinking where we can say that children are an asset in this country instead of a liability. They are the greatest asset we have; yet we are not making it possible for people to raise the families they would desire. We have to bring in immigrants from other countries in order to build up our population. We should not forget that there are needy people in this country. They are not confined to the group receiving family allowances, but may be found in the different classes that already have been mentioned, the old age pensioners and those who are physically not fit to work, the incurables. Surely in a country as prosperous as Canada it should never be said that we cannot adequately take care of these people who are in such dire need.

When I think of the waste in this country, especially as it has been revealed in the last few weeks, with government members standing up and trying to defend that extravagance and waste which runs into hundreds of thousands of dollars—the hon. member for Wetaskiwin (Mr. Thomas) says millions and Mr. Currie said it will never be estimated—

Mr. Dupuis: Well, don't mention a figure then.

Mr. Johnston: —it is difficult to understand why some members in this house say we cannot afford to increase these family allowances. They say we will do it when we can afford it, that is if the children have not starved to death beforehand. One of our first concerns should be to take care of the needy now and not wait for another ten, twenty or thirty years.

Mr. Speaker, I would not have spoken on this occasion in support of this resolution if I were convinced that Canada could not afford it. But from the facts and figures that have been given by the Prime Minister himself, other ministers in the cabinet and other hon. members in this house, I know that we can well afford to increase the family allowance, to increase the old age pension and to help those who are unable to help themselves. By helping those people we are helping ourselves to greater prosperity because we are providing a greater market right here where it is needed.

Let us judge whether or not these people need this assistance, Mr. Speaker. If we come to the conclusion that they need it, the next point we should look at is: Can Canada produce it, and is she producing it now? Those are the only two things we need to ask ourselves. Once those two questions are answered to our satisfaction, we should say: We will get the money to do it.

(Translation):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, it will come as no surprise that a member for a constituency which swarms with large

families should rise to give his opinion on this matter. There will be no need for me to speak very long to assure my hon. colleagues that I am favourable to any measure calculated to improve the living conditions of our large families.

Having been a frequent visitor at the various welfare centres in my constituency, I believe I may say that I am aware of the situation in which the families of the constituency I have the honour to represent happen to find themselves at this time. Comparing it to that which I knew between 1930 and 1935, under a Conservative government, when I was a member of the municipal council of the city of Montreal as well as of the executive council, I believe I am in a position to say that there is absolutely no comparison between the two situations. What we saw at that time, in fact, was the worst possible plight in which a human being could find himself whereas nowadays we enjoy relative prosperity, a prosperity which is not entirely due to such and such a set of circumstances but which is the result of sound administration. This administration, mindful of its responsibilities, goes neither too rapidly nor too slowly in the preparation of its legislation where it is faced with the necessity of deciding how to meet any particular situation.

Before admitting that our hon. friends of the Social Credit party have the monopoly of compassion, pity and solicitude for the people—since that appears to be their idea—we must remember that even before the existence of that party in Canada, there were two great parties, two great parties which were diametrically opposed to each other on certain principles, particularly on social matters, when it came to being more liberal—that is generous—toward society. We then heard the Tories protest that it was bad policy to socialize the country, to which the Liberals replied that we had to allow for circumstances and progress in all directions.

The party to which we belong is not one which goes on harping upon the heroic deeds of the past. We must face the new situation brought about by changing times not only in our country but in the whole world, and rise to it. The Liberal party is the one which has managed to create and establish on a permanent basis the various social laws which make it possible for the people in general to hope for at least easier if not much happier days than those they have known, before the existence of these social measures.

Such was the situation as far as allowances are concerned in all fields of social security where the state is called upon to grant some measure of assistance. The government has provided for the new needs of the people as they occurred and has enacted adequate legislation to meet any situation.

Such a policy indicates that the government had at heart the welfare of those who asked not pity but help to go successfully through difficult times. On the other hand, we heard Conservative leaders say, especially when mention was made of family allowances, that they were more or less a bribe to get votes, more particularly in the province of Quebec. They accused the government of the day, in a sly way that I would have trouble to describe, of trying to buy the votes of the people of Quebec by giving them a measure of social security to alleviate their misery. Well, the government had understood the situation. It was not a matter of political expediency, but rather of sound comprehension and of wise administration. As long as the Liberal party will keep pace with times and conditions which bring about a change in the complexion of the various problems in this country, they may rely on the support not only of the member now addressing the house, but also of all the right-minded people in Canada.

This is the reason why we see, on the eve of an election—since there is to be one this year—our friends from the left, especially those from the Social Credit group, continuously getting up to suggest increases of all kind, which we also favour, because we have favoured them in the past and because we are as kindhearted as our Social Credit friends can be.

We would like, of course, to lighten the burden of the mothers in particular who look after most of these problems arising in the home. We, from the government side, are in favour of these things. But we can see how inconsistent our opponents are when, on the one hand, they are asking the government to reduce taxes, that is its own source of revenues, and, on the other hand, they are asking increase after increase on behalf of those whom we have been assisting long before being requested to do so by the hon. members from the Social Credit group.

Well, Mr. Speaker, though I am favourable to every possible increase, in every field of social welfare, as I have demonstrated by favouring an increase in the old age pensions, for example, in spite of what we have done in the past, as well as in supporting all those measures we have so far adopted, maybe the government should levy two distinct

taxes. I am not saying that I would be for or against such a step, but at any rate it would be the measure of our leaders' sincerity. I might favour a general social welfare tax plus the present income tax, modified of course to take care of the changes brought about by the new tax. I do not wish to leave the impression that I am suggesting this particular levy but I do wish to point out the importance of making a difference between the income tax proper and that part of it which goes to welfare purposes.

It seems to me that it would be wise and advantageous to introduce a motion along that line, in order that the government might be allowed to consider the advisability of such a measure. I am not prepared, however, to commit myself upon the value of such a motion.

Going back to what I emphasized a moment ago, it should after all be realized that we cannot adopt, without some reservation, this resolution in its present form, before the minister concerned has given us his opinion on the matter. I have much more confidence —and it is not by way of flattery, nor in the hope of receiving anything in return that I say this—in the hon. minister at the head of the Department of National Health and Welfare (Mr. Martin) than I have in those people who preach a certain policy in their province but who find it wiser, later on, not to implement it. I shall fall in therefore with the explanations of the minister.

On the other hand, it must be recognized that there is a difference between parliament and a city council. With your permission, Mr. Speaker—and I think I am keeping within the rules of the house in so doing—I will show the difference which exists between moving a resolution in this parliament and moving a similar resolution before a city council, that of Montreal for instance.

Formerly, we would move a motion as follows: "It is moved by alderman so-and-so, seconded by alderman so-and-so, that the executive committee consider the advisability of adopting this or that measure". That did not necessarily mean that the executive committee was bound to carry the motion, but it meant that we were all agreed that the proposed resolution deserved the attention of the executive committee, which was in that case, if I may be permitted such a comparison, like the municipal cabinet of the day.

Then, when we came back before the city council, we could not be accused of having ignored the unanimous stand of the council members, for we simply admitted that such and such a measure was excellent, but that the executive committee had simply decided to postpone any further study of the matter. Thus the executive committee was never upbraided for not taking into consideration the unanimous opinion of the members, who had presented a motion asking the executive committee to consider the advisability of presenting a particular piece of legislation.

The hon. member for Winnipeg North Centre (Mr. Knowles) vented his discontent, the other day, against a government which took no notice of his motion concerning the Income Tax Act and the abolition of the 4 per cent floor in connection with medical expenses. The hon. member voiced his protest in the name of sound democracy; he accused the government of taking no heed of a unanimous vote in the Commons, nor of the judgment of their own supporters, and asserted that they were anxious about one thing only: the possibility of doing just what they pleased.

I would not like to be caught in the same position. If I decided to vote in favour of the motion, I would have to blame the government for not having respected the unanimous opinion of the House of Commons.

On the other hand, following certain explanations supplied by the government I might find that it could not grant wishes expressed in this motion.

I believe that there is a very great difference between a motion calling for consideration of the advisability of adopting such and such a measure and the enforcement of that same measure.

To sum up I want to say this: considering all the things done so far by the government which for many years now has been at the helm in our country; considering the happy disposition of the hon. the Minister of National Health and Welfare; considering all that the government has accomplished in the social field, I do not hesitate, for one moment, to rely on the Prime Minister and his colleagues to decide whether it is possible, under the circumstances, to grant the increase asked for in the motion. I say once more that this motion thus presented on the eve of an election is nothing but eyewash. I am sure that if I asked for the opinion of my colleagues, they would say one after the other: Certainly, we also have feelings. We know that many families cannot afford to live as we would like them to live and we are eager to help the needy wherever they may be. However, we take into account the responsibility which our government must assume. We know that they must find the necessary funds in order to give what is

asked for. We realize that the opposition would take advantage of the opportunity to claim that we were illogical if, on the one hand, we were pleased to raise the benefits already granted by the government, while asking, on the other, for substantial tax reductions in the budget prepared by the same government.

I had to state these facts in order to make the situation clear. Inasmuch as we are concerned, I do not wish—although I could accept such a responsibility—to put my hon. friends and especially my constituents under the impression that I am not always willing to ask the government to consider measures which would be beneficial to my constituents. Nor do I wish it to be charged that we, on this side of the house, refuse to face these problems when, on the contrary, it is this very government that has found the best remedy to apply in the circumstances.

Mr. Speaker, I believe it is five o'clock. Before concluding I wish to voice all the confidence I have in the present government leadership, in the cabinet itself and more particularly in the Minister of National Health and Welfare. I do not doubt in the least that, as we have done in the past, we will, whenever circumstances allow, whenever we are in a position to help those who depend on us, prepare and implement measures calculated to relieve those who, socially, look up to the government.

Mr. Speaker, is it five o'clock?

Mr. Deputy Speaker: I wish to point out to the hon. member that today we go on until six. We are not interrupting the present debate to study public or private bills; we are going on until six o'clock.

Mr. Dupuis: In any case, Mr. Speaker, I now close my remarks. I merely wanted to know whether my time had expired. After all, the member for St. Mary can be fair in his own good time. I do not want to depart from the rules of the house.

I wish to thank the government for all it has done up to now in order to help those who are in need, and I am confident that it will manage to settle this question of family allowances to the satisfaction of all concerned.

(Text):

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the motion before the house reads:

> That, in the opinion of this house, the government should give consideration to the advisability of introducing legislation increasing the amounts paid under the Family Allowances Act to the extent necessary to compensate for the increase in the cost of living since the said act was first enacted.

No one has suggested, and I am sure no one will suggest, that the government takes issue with the principle of the suggestion involved. Certainly to oppose this resolution, as I shall, for the reasons I shall give, will not justify anyone in saying that the administration or the supporters of the government in the house do not believe in the principle of family allowances.

The principle of family allowances, embodied in an act introduced by the present government of Canada, has been referred to by a number of important individuals, such as Miss Kathleen F. Lenroot, chief of the United States children's bureau, as one of the greatest social acts of its kind; by Dr. Evelyn Burns, of the New York school of social work, as a magnificent measure; by R. E. G. Davis, executive director of the Canadian Welfare Council, as the cornerstone of Canada's social security program, and by Dorothy Thompson, who referred to the act as the most significant social legislation in the Americas.

This was legislation introduced by this government, without any suggestion of a parliamentary committee; and, in spite of all that may be said by some opposite who claim some credit, the fact is that the first suggestion for family allowances was made in this country by a Liberal member sitting on this side of the house at least eighteen years ago.

I make this reference lest anyone who should read *Hansard*, or the report of this debate, and who is not familiar with the earlier history, should conclude that we were not sympathetic to family allowances. This may not be the moment, but we will not fail to recall that when family allowances were introduced nine years ago there was certainly strong opposition from certain sections of the opposition. Not only was there opposition in the house, but there was strong opposition elsewhere against the measure, in other parts of Canada, and by political leaders of parties not represented by those who support the government of the day.

It is true that at the present time everyone in the house seems to be strongly in favour of the Family Allowances Act. That confirms perhaps not only the wisdom of the act, but also the good judgment of the government of the day which, in the face of strong opposition, decided to introduce the measure. And I should like to say at this juncture—and perhaps it should have been said long ago—that the name of the late Dr. Clark, deputy minister of finance, who passed away

a few weeks ago, must always be associated with this project; for in the preparatory stages, in advising the government of the day, he contributed richly to this measure that has brought so much relief to those segments of our population whom we refer to as Canada's greatest resource, its children.

The hon. member who introduced the resolution, I am sure, spoke for his party. But I would point out to him that the only opposition to family allowances that I have heard in the house within recent times came from a member of his own party, the hon. member for Moose Jaw (Mr. Thatcher). I am not for one moment suggesting that the latter was not sincere when he complained about the expenditures involved in family allowances, but I wish simply to point out to the hon. member who proposed the resolution that everyone in the house now is in favour of the measure, with the single exception of one of his own colleagues.

The proposal put forward by my hon. friend is naturally one that captures and encourages the support of anyone who wants to see our children receive increasing opportunities. There is no one who could legitimately oppose that measure. But it is one thing to propose, and then it is another thing to be able to find responsible and practicable means of carrying out that proposal. And I suggest with vigour and sincerity to the hon. member who proposed this resolution that his suggestion is not practicable.

Mr. Herridge: Nor accepted by this group.

Mr. Martin: "Nor accepted by this group" —I would point out to the hon. member who interjected those words, that, beside the proposition put forward by the hon. member who moved the resolution, that is a very interesting interruption.

Mr. Herridge: I thought the minister was referring to the views of the hon. member for Moose Jaw, when I said that.

Mr. Martin: I am glad to note this intervention. Those things will have to stand side by side, and we will have to see whom we believe, in the context of things, deserves the greater approbation.

The significant thing, in answering the suggestion that the government should commit the people of Canada to an expenditure of $192 million in addition to what has already been spent for family allowances, is that it is important to note the history of the administration of the measure. This would include not only its present total cost, but also all those related factors which would enable a responsible man to come to a conclusion as to whether or not at this time, in the light of overriding obligations in regard to health, or other obligations of the government, this is the moment to embark upon such a proposal.

We have paid out in nine years in family allowances some $2,131 million. That is the amount up to December 31, 1952. The expenditure on family allowances for the fiscal year 1951-52 is to be found at pages 140 and 141 of the report of the Department of National Health and Welfare, which I tabled last Thursday. That report indicates that the estimated cost of family allowance payments in the fiscal year 1951-52 will total $320,880,854.

That in itself represents a substantial sum of money. There is only one source from which that money can come—indeed, there is only one source from which any expenditure of this or any other government can come—and that is from the hard work of the people of the country.

That fact cannot be emphasized too often; because it is one thing to suggest that there should be more social services—and I take second place to no hon. member in pressing for that objective—but, at the same time, if one wants to be responsible in his protagonism of legitimate social reform, there should constantly be brought home to the people a reminder as to the only source of all government expenditures.

May I say to the hon. member who at the moment, perhaps for another reason, is enjoying himself—perhaps I misunderstood him, and I will not go on to say what I was going to say, that he was laughing; I hope I am wrong in that—that the question before us is whether or not, in the face of the expenditure of $320 million for family allowances, apart altogether from what other expenditures are maintained in the field of health and welfare on federal account, we can honourably impose upon the people of Canada at this time a further expenditure of $190 million in connection with this one particular matter.

When you add to that the fact that we are spending over $300 million on old age security payments, let alone the other expenditures which I am going to detail before I resume my seat, I question very much whether the people of Canada would agree that this is the moment to embark upon this particular proposal. Not only do I question that; I would say to the hon. gentleman that my correspondence and contacts as Minister of National Health and Welfare lead me to suggest that if there

is any reform in connection with family allowances that is being put forward with greater vigour than any other, it is the suggestion made by the hon. member for Wetaskiwin (Mr. Thomas), who said that he would prefer to see the age qualification increased from 16 years to at least 18 years. I would certainly agree with him that there seems to be greater justification and greater demand for that kind of reform than there is for the reform put forward in the motion now before us.

Then there is the further argument made by the hon. member for Skeena (Mr. Applewhaite), that there is great danger to any social benefit when you apply the principle of movable benefits. That is a most dangerous thing to do. I do not think that as long as I am holding this post I would recommend to my colleagues in the government or to the people of Canada that that principle be adopted. The dangers are precisely as related by the hon. member for Skeena.

I have given the estimated expenditures in family allowances for the fiscal year 1951-52. The figures for the calendar year 1952 are very interesting indeed. They show a total of $330,827,545, with an average monthly payment from January 1952 to October 1952 of roughly $27 million. November and December of 1952 show an increase in family allowance payments, with the result that the average for those two months was a little over $28 million. In January 1952 we paid out in family allowances $27,400,000 to 1,956,183 families representing 4,496,739 children. In December, when the average monthly payment rose from $27 million to $28 million, payments were made to 2,021,745 families representing 4,668,987 children.

Is it any wonder that writers like Dorothy Thompson and others have admired this program because of the far-reaching distributive effect on the children of the nation, and indeed on the nation itself? When one looks at the various amounts paid to all the provinces one will appreciate what that means to the children at the present time as well as what it meant to them in 1945 when the act was introduced. If I have any criticism to make of the speech of the proposer of this resolution it is that he belittled the accomplishments to date of this great measure.

Mr. Argue: Not at all.

Mr. Martin: My hon. friend says "not at all" and I am happy to have the correction. When one looks at the amount of money paid in family allowances to Canadian children from Newfoundland in the east to British Columbia in the west, including the Northwest Territories and the Yukon, one cannot help but conclude that those who were responsible for the inception of this measure will deserve for a long time the thanks of the great majority of the people of this country.

This act was intended to benefit the great majority of the people. It was predicated upon the fact that 19 per cent of the working population of Canada is responsible for almost 84 per cent of the children of Canada up to 16 years of age. It was predicated upon the fact that our wage system does not take into account the obligations of a parent with one or more children as compared with those of an employee who is not married. It was done in a way that no other country in the world has succeeded in doing, without in any way encouraging a disposition to depress the wage scale of the wage earners of the country. At first labour was a little concerned about this measure, and not unnaturally so. They had seen the experience of France and at least 20 other countries of the world where family allowance schemes were in existence and where their maintenance had been used, not to add to the daily receipt of income by the wage earner but as a means of depressing wages, as a means of substituting payments by the state for the fact that the employer had failed to carry out his obligation in terms of economic return to his employees.

Those of us who sit on this side, and I as the minister responsible for the administration of this act, make no apology for the attitude I am taking with regard to this proposal. In fact in taking the attitude that I do, I feel I am strengthening—I say this with great respect to the hon. member—the structure upon which the family allowance measure in this country is based. I want to see it preserved. I do not want steps taken now which might result later in a serious reduction in this or in any other social welfare measure. That has happened in Great Britain; it is happening today in France. That has happened in Belgium and in at least four other European countries. It has happened in at least three Latin-American countries that I know of.

The estimate for the fiscal year 1953-54 for family allowance payments is $347 million. We estimate that the increase on the basis of the present program is from $12 million to $15 million annually. I know those are facts and considerations which my hon. friend would feel it was necessary for me to indicate in answering his proposition. I have before me a table which I would ask the house to allow me to place on *Hansard*, unless it is insisted that I go through it in

all its detail, which I think would be unnecessary. This covers December, 1952, and shows the number of families in pay, the number of children in pay, the average allowance per child and the average allowance per family for each of the ten provinces. It represents a total payment of $28 million in that month to 2,021,745 families representing almost 5 million children. With the unanimous consent of the house I think this table, printed in conjunction with what I am saying, might prove of interest to those who want to peruse my remarks.

Mr. Deputy Speaker: Does the minister wish to have the table printed in *Hansard*? Is that what he meant?

Mr. Martin: Yes.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Martin: The table is as follows:

TREASURY OFFICE
DEPARTMENT OF NATIONAL HEALTH AND WELFARE

FAMILY ALLOWANCES STATISTICS
DECEMBER 1952

Province	Number of Families In Pay	Number of Children In Pay	Average Allowance Per Child	Average Allowance Per Family	Total Amount
			$ cts.	$ cts.	$
Newfoundland	53,481	155,497	5.96	17.33	926,709
Prince Edward Island	13,232	34,959	6.03	15.93	210,815
Nova Scotia	93,960	226,109	6.04	14.54	1,366,136
New Brunswick	74,141	199,607	6.00	16.16	1,198,269
Quebec	558,834	1,489,147	6.04	16.09	8,989,977
Ontario	673,377	1,382,531	6.01	12.33	8,305,108
Manitoba	112,546	241,679	6.01	12.91	1,452,529
Saskatchewan	120,171	271,048	6.08	13.70	1,646,961
Alberta	145,548	316,204	6.04	13.12	1,910,081
British Columbia	172,172	342,665	6.02	11.98	2,062,522
Northwest Territories and Yukon	4,283	9,541	5.99	13.34	57,128
NATIONAL	2,021,745	4,668,987	6.02	13.91	28,126,235

There are other considerations that I think one should bear in mind in connection with this measure because, while there are occasional abuses, those abuses, as the proposer himself has indicated, are by no means as great as the occasional critic suggests. One financial journal in Canada and one daily newspaper in Toronto, the *Globe and Mail*, have questioned the validity of the whole measure. We have sought to indicate the false position and the false premises of these arguments, but I can say on my responsibility as the minister in charge of the department that family allowances have helped Canadian parents to provide for their children better food, shelter, clothing, health care and education.

As the hon. member for Edmonton East (Mr. Macdonald) mentioned, the family allowance measure is perhaps the most successful truant officer we have. There is no doubt that, almost coincidental with the introduction of the measure, school attendance in Canada achieved and has maintained record proportions. This, of course, is as the act intends, as suspension of payment for a child is made if he or she fails to attend school, except for some legitimate reason.

It is significant that last year, as an indication of the careful supervision given, there were a little under 39,000 suspensions of family allowance payments for children who were not attending school and for whom family allowance benefits were claimed. The number of prosecutions for illegal receipt of family allowances, fraudulently or for other reasons since the inception of the program in 1945, is under 200, which indicates that, whatever may be said about family allowances, the people of Canada are honest in their attitude towards them.

There are in rare instances people who abuse the measure, but they represent a very small section of the receiving public or receiving children. I had a man say to me the other day, "If you want to see how family allowances are spent go into a beer hall or tavern at the end of the month." I told him what I am telling the house, that that kind of assertion cannot be substantiated in fact. We trace that sort of thing with great minuteness, and we have yet to find any serious case where it could be demonstrated that that was the habit. I am not saying there have not been cases. I am not saying that we are not on the alert and do not find cases of this sort, but what I do say is that they represent a small section of the parents of this country, and it is a tribute to the honour and honesty of Canadian parenthood that I should be able to make this statement.

By the time a child reaches the age of 16, it is estimated that under this measure he has received approximately $1,188 over that period of years. For some people that may not represent a great sum of money but I could read hundreds of letters—I have a few here today but I am not going to read them—from all sorts of parents, from mothers and fathers and children too in all parts of the country; and I can tell you that the sum of $1,188 representing the average payment does mean a great deal to the masses of our people. This represents money that comes not from the government but from the people, but as a result of policies conceived by the present government of Canada. While I am on that subject I think I should say—and I am not surprised; I have said it before—that when provincial elections take place, and we have had them recently, knowing human nature as I do I think it is interesting to note that there are some provincial governments that try to urge the people of their provinces to return them to power because they hold themselves out as the authors of the family allowance measure. I need not tell any hon. member of this house that family allowances in Canada are due exclusively to an act passed by the parliament of Canada.

The significance of this measure may be seen from the fact that if the United States were to adopt such a proposal—and there are there strong proponents of the measure, including the man who retires tomorrow from the presidency of the United States—it would cost almost $3½ billion a year. Our family allowance program was, by implication, compared today with those of some other countries. The three other countries that have family allowance schemes of proportions comparable with our own are Great Britain, Australia and New Zealand, but none of these countries provides the same amount of cash benefits provided by the Canadian act.

It is interesting to note the percentage of net national income spent on family allowances in the four countries, including Canada. It will be seen that on this basis of comparison Canada is ahead of Australia and Great Britain, our percentage being 1·86, Australia's 1·44 and Great Britain's ·55, while New Zealand is higher than Canada, being 2·62. But taking the relation of family allowances to other social security expenditures—and this is something we must do when we consider a proposal of the magnitude put forward by the hon. member whose motion we are now discussing—in Canada for 1951-52 family allowances represented 25·5 per cent of all social security expenditures. This is a larger proportion than in any of the three countries I have mentioned. It is larger than Australia whose percentage is 23·3, than New Zealand whose percentage is 25·5, and than Great Britain whose percentage is 4·5.

Therefore if we were to adopt the proposal the result would be that in relation to other social security benefits we in Canada would be spending much more on family allowances than on our other social security measures. What one has to do—because there is a limit to the availability of money for these purposes—is consider the effect of any particular proposal on existing measures or upon other proposals or projects that the administration may have in mind.

Mr. Knowles: Would the minister permit a question at this point?

Mr. Martin: Yes.

Mr. Knowles: I wonder if he has information with respect to the four countries he is dealing with as to what percentage the total social security payments are of the gross national product in each case.

Mr. Martin: If I may deal with these things in order, I am going to come to that in a rough way, and if I do not do so just mention it to me later. However, I think you will find that I will. It seems to me we have to keep

in mind three important considerations. First of all, as the hon. member for Skeena (Mr. Applewhaite) mentioned, family allowances, or any other social benefits, were never intended to cover the complete cost of child maintenance. That is what any social benefit is, a contribution toward some form of maintenance. It cannot be anything else; and certainly if family allowances were intended to provide for full maintenance we would have to acknowledge at once that we had changed the character of our economic and social system. The second point to consider is that, without any increase in the amounts of benefit, family allowances this year will cost us $332 million and some odd thousand. Third, each year there is an increase in the cost of this measure by some $12 million.

Now, the house will no doubt agree that, in the face of the fact that we are engaged in a commitment to spend over $2 billion for national defence, for preparations to preserve our way of life, together with other tremendous but I think responsible expenditures in the field of social welfare, and having in mind the universal demand that is made by hon. gentlemen opposite for a cut in taxation, it is hardly responsible at this time, in respect of this one measure, to make the proposal that has been made. If one were to calculate the suggestions for expenditures made on the other side, and place those alongside the charges that are being made against this government, I am sure that would be the greatest demonstration of lack of logic that the political life of Canada has ever witnessed.

Speaking immediately after the hon. member for Bow River (Mr. Johnston), I want to say that I believe he overstated his case when he tried to suggest that this government was not concerned with the proper expenditure of money, that we were interested in defending extravagance. I hesitate to take issue with him because of the conciliatory attitude he took towards me personally, but as the first minister to speak after his observations I want to say that I am sure that, upon reflection, he would want to do a lot of editorializing on the remarks he has just made. On that point I suggest to him that the administration of family allowances is an indication of the concern not only of the department for which I am responsible but of the government for the proper administration and the wise expenditure of public moneys.

I have indicated that this year we will spend $332 million in family allowances. When you consider the huge amount involved, it would not be unnatural to expect that we would be spending, by way of total administration costs, much more than is being spent. Last year the Department of National Health and Welfare spent in the administration of this gigantic program less than $2 million, specifically $1,858,000; treasury spent $2,627,335; public works, which looks after our ten regional offices, spent $234,758. The whole administration cost of family allowances, administered by the federal government, was $4,720,093. I doubt if you could find a better example of careful accounting and careful expenditure.

Mr. Johnston: I did not question that.

Mr. Martin: I know you did not, but I thought this would be a very good example to disprove what I thought was a very wide accusation and charge that the hon. member was making. Now, Mr. Speaker, the estimated expenditure on social security in Canada for the current fiscal year will be $1,300 million.

Mr. Knowles: Is that federally or for all levels?

Mr. Martin: That is for all levels. The federal portion will be $1,010,500,000; provincial, $255,400,000; municipal, $83,200,000. This makes a total for all governments of $1,349 million. Those are figures that are in addition to the voluntary expenditures which are made but which, alongside the total of the government expenditures, represent a surprisingly small amount. One could give a further breakdown, but I would not want to tire the house. I simply give one example. In the matter of government health expenditures, which come within this category, the federal government on all counts, including the national health program and other departments of government as well as the Department of National Health and Welfare, will spend in the current fiscal year $91,900,000; provincial governments will spend $158,600,000, in respect of matters that are admittedly within their exclusive constitutional competence, and municipal governments will spend $62 million. This makes a total of $312,500,000. Approximately one-half of the total that goes for health care in Canada is already distributed by taxation across the whole population.

I feel, Mr. Speaker, that this very dry recital of the facts from our point of view will be a conclusive answer to the hon. gentleman who is proposing this resolution. It is not a denial of the validity of the principle. We believe in family allowances within our capacity and to the extent that we are able to meet other obligations. This suggestion has been made from other quarters of the house as well, and we should like to be able to accede to it at this time. For the

reasons I have given, I believe we should not accede to it. I believe that the family allowances measure, our old age security measure, the provision for veterans under the veterans charter, the significant work—as the hon. member for Edmonton East (Mr. Macdonald) pointed out—of the national health program and other measures, together with the social welfare measures introduced and carried on by all our provinces, represent a contribution toward responsible social reform of which no Canadian need to be ashamed. I feel that the program for which I am responsible as Minister of National Health and Welfare, along with my colleagues of the government, is one which commends itself to reasonably-minded people in this country, and most of our people I think are reasonably minded.

The people know that if we stop at one particular measure, it is not because we do not want to do anything further in that particular field, but rather because we take into account the commitments for national defence and the desirability of expenditures in other fields as well. I do not know how long I shall be in this particular post, although I am sure a Liberal will be in this post for a long time; but I know that with Liberals recognizing the need of maintaining a balance between security and freedom the result will be more and more measures of a humanitarian kind.

This will demonstrate to those who would challenge our way of life that the free world is capable of giving, in a more lasting way, succour and assistance to those in our nation who need it. We must never lose sight of the importance of that objective. In speaking to this particular motion, Mr. Speaker, I want to say if there is any argument I can adduce to show that this government will never be unmindful of its social welfare obligations, it is the record in the field of health and welfare of the Liberal party and of the present government of Canada.

I move the adjournment of the debate.

Mr. Knowles: No.

Mr. Deputy Speaker: Mr. Martin moves, seconded by Mr. Fournier (Hull), that this debate be now adjourned.

Mr. Knowles: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The house divided on the motion (Mr. Martin) which was agreed to on the following division:

YEAS

Messrs:

Anderson	Kirk (Antigonish-Guysborough)
Applewhaite	Kirk (Digby-Yarmouth)
Ashbourne	Lafontaine
Bater	Laing
Beaudoin	Langlois (Gaspe)
Benidickson	Larson
Blue	Leger
Boucher	Lesage
Bourget	Macdonald (Edmonton East)
Bradette	MacDougall
Bradley	MacLean (Cape Breton North and Victoria)
Brown (Essex West)	MacNaught
Campney	McCann
Cardin	McCusker
Carroll	McIlraith
Carter	McIvor
Cavers	McLean (Huron-Perth)
Chevrier	McWilliam
Cloutier	Major
Croll	Martin
Dechene	Murray (Cariboo)
Decore	Parent
Dewar	Pearson
Dickey	Pouliot
Dupuis	Proudfoot
Eyre	Riley
Ferrie	Rooney
Fournier (Hull)	Ross (Hamilton East)
Fulford	Rousseau
Gardiner	St. Laurent
Garson	Schneider
Gauthier (Lake St. John)	Simmons
Gauthier (Lapointe)	Smith (Moose Mountain)
George	Stick
Gibson	Stuart (Charlotte)
Gingras	Studer
Gour (Russell)	Tremblay
Gregg	Ward
Harris	Warren
Harrison	Weir
Hellyer	Whiteside
Henderson	Whitman
Henry	Winkler
Hetland	Wood—91.
Huffman	
Jutras	
Kickham	

NAYS

Messrs:

Argue	Graydon
Aylesworth	Harkness
Beyerstein	Hees
Blackmore	Herridge
Blair	Hodgson
Brooks	Johnston
Browne (St. John's West)	Jones
Bryce	Knight
Catherwood	Knowles
Churchill	Lennard
Fair	Low
Fraser	Macdonnell (Greenwood)
Fulton	MacLean (Queens)
Gagnon	McLure

Meeker	Starr
Nickle	Stewart (Winnipeg North)
Nowlan	Tustin
Pearkes	White (Hastings-Peterborough)
Quelch	Wright—40.
Ross (Souris)	
Shaw	

Mr. Cruickshank: I was paired with the hon. member for Cape Breton South (Mr. Gillis).

Mr. Cardiff: I did not vote; had I voted, I would have voted against the motion.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted, I would have voted against the motion.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SOLDIER SETTLERS

PROPOSAL TO GIVE CLEAR TITLES TO VETERANS WITH UNPAID BALANCES

Mr. Robert Fair (Battle River) moved:

That, in the opinion of this house, the government should take into consideration the advisability of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board.

He said: Mr. Speaker, as this resolution now almost qualifies for the other place, I hope it will not be necessary for me to move it another year. Its subject matter has been before the house since 1937; and if it takes another sixteen or seventeen years to bring it into operation, I would hope to keep it at all times before the house. I say this because in my view it is something worthy of consideration and should be attended to, even before this government goes out of office.

The resolution in its present form is somewhat trimmed down as compared to what it was when first placed before the house. The preamble, it will be noted, has been removed. Perhaps this is a good thing, because it has been before the house so often that it would no longer seem necessary to have the preamble.

I believe hon. members know very well what I have in mind in placing this resolution before the house. They know that back in 1919 a piece of legislation was passed by the government of that day making provision for loans to veterans of the first great war who had returned to Canada, but who were congregating in the town and cities. In order to get them out on the farms, and so they would not cause trouble where they were congregating, the legislation was passed.

That legislation has been described by one minister, in whose charge it was, as having been hastily improvised. That is about the best that could be said about it. I am pleased to say, however, that its successor, the Veterans Land Act, has been greatly improved. Had the old vets been given the opportunities given those who came back from world war II, it would not have been necessary for me or for anyone else to keep a resolution of this kind before the house for so many years.

I do not think anyone will question the justice of the claim I have propounded. We made solemn promises to the veterans of world war I, and we did the same with those of world war II. Why in the world we should renege on those promises is beyond my understanding entirely. I can see no reason for it, because we have been told time and again that our productive capacity is increasing from year to year. Our national product is now valued at about $22 or $23 billion, and there is no reason why an injustice that has existed since 1919 should not be cleared up at this session, at the very latest.

I should like to place on record an article I have read on many occasions before. This was an address by Sir Robert Borden, at a time when he was prime minister of Canada, to members of the Canadian expeditionary force in 1917. This is what he said:

You are men actually facing the enemy day and night. You are suffering greatly from fatigue, overstrain, and lack of rest. The marvel of it is that men could undergo such a strain without breaking; but you have never yet broken, and history will appreciate that in days to come.

You men are about to enter one of the most serious engagements that ever faced the Canadian corps. I cannot, at this moment, give any information as to where this attack will be staged; whether it be successful or not, it is to be borne in mind that it will not be an easy success. We feel confident that you will succeed where others failed; for you have never yet failed in anything you have set your hand to, as a Canadian corps.

You can go into this action feeling assured of this, and as the head of the government, I give you this assurance: that you need have no fear that the government and the country will fail to show just appreciation of your service to the country and empire in what you are about to do and what you have already done.

The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of the people at home, and it will always be our endeavour to so guide the attitude of public opinion, that the country will support the government to prove to the returned man its just and due appreciation of the inestimable value of the services rendered to the country and empire; and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken with the men who won and the men who died.

Anyone who has lived in Canada since 1919 and has kept track of the treatment handed out to those old vets of world war I, particularly when the act was administered by the department of mines and resources under Hon. T. A. Crerar, and when Mr. Murchison was director of the department, cannot agree with this statement by Sir Robert Borden to the men in France.

Mr. Mutch: Nonsense.

Mr. Fair: In the days of depression, men were thrown out on the roadside. It was not because these men did not do their duty; it was not because they did not work their farms as well as they could; it was simply because of the conditions they faced. First of all, they were burdened with debt because of the high prices they had to pay for land, livestock and machinery. It was impossible for them to surmount those difficulties.

In spite of all this a number of men were kicked off their farms and made to sign quitclaim deeds. Evictions were even resorted to, with the result that members of the house got busy and stood up for these men and finally Mr. Murchison was fired out of office and a good man put in his place. These men were being treated in a way that was not worthy of this country.

When I first brought in this resolution I was told by a former minister of veterans affairs, the late Ian Mackenzie, that the only way to deal with this matter was to give clear title. I believe he fully intended going through with that program, but apparently somebody else in the cabinet had a little more power than he did. My guess is that possibly the treasury board had something to do with it. The result was that these men were not given clear titles during the late Mr. Mackenzie's tenure of office.

Then later on another funny occasion arose. When the matter was brought up a man prominent in Liberal politics in Saskatchewan talked the matter out. Some say that he is coming back here to us again. In order to talk it out he had to bring in mothers' allowances, old age pensions and many other subjects that did not have anything to do with veterans' affairs. When some of us laughed at the way he was using the time of the house he got rather peeved, and I do not think he is over that yet.

Since that time the present Minister of Labour (Mr. Gregg), whom we all respect and have respected since we first knew him, gave the old veterans a break. He was responsible for these veterans being given their oil and mineral rights. I want to thank the minister publicly. A lawsuit was under way, but the minister felt there was justice in our claim and saw to it that those rights were handed back. I want to thank the present Minister of Labour, then minister of veterans affairs, for what he did in connection with that matter.

Since that time we have had another Minister of Veterans Affairs (Mr. Lapointe). I do not see him in the house tonight, but his parliamentary assistant is here. I want to thank that parliamentary assistant for the good work he did as chairman of the committee on veterans' affairs. Before he came in I said that I hoped this would be the last time it would be necessary to move this resolution. Then one of my friends on the other side suggested that they would be glad to see me back again. But I do hope that this resolution is agreed to before prorogation.

It must be realized that this matter has been brought to the attention of the house on other occasions. Looking over *Hansard* I find that on February 24, 1930, the late Mr. W. L. Mackenzie King, then prime minister, when dealing with returned men, made this statement, as reported on page 44 of *Hansard*:

> May I say that after giving a great deal of time and careful thought and study to this question, the government has come to the conclusion that the existing legislation is not adequate. In particular it has been borne in upon us that there are a large number of returned men who, while not suffering from any disability immediately traceable to some particular happening, are nevertheless finding themselves breaking down through causes more or less unknown. In other words, they are experiencing after a number of years what I think would be described in medical terms as the effects of deferred reaction. Though they went through the strain of the war, though they suffered mentally and physically as they did in those years, the fact that at the time they were strong and in good health led to nothing being immediately visible as a consequence of the strain they had been called upon to endure. As the years have gone by however, and the system has weakened from other causes, the strain of past years has begun to tell and many men are breaking down today apparently for no other reason than that of the strain of the war period.

I have read that statement by the late Mr. King to show that he was thinking of the problems of the veterans. On one occasion I visited the former prime minister in his library at Laurier House in connection with clear titles, and found him most sympathetic. Apparently there was some other power that did not surrender to his wishes.

I hope we are coming near the end of the road as far as these men paying off their debts are concerned. To begin with more than 25,000 were involved. On January 1, 1952, we find there were 862 still in debt, owing a total of $950,725.33 or an average of $1,102.90. That was the result after they had paid for something like 33 years. That does not look very good to me. I have

farmed all through the game and have worked just as hard as the other fellow. I did everything I could, even to the extent of working off my farm at other work so that I could stay on it and perhaps some day get out of debt. On the first of this month I find there were 548 men still in debt to a total of $572,411.33, or an average of $1,044.55. It means that these men will still have to work pretty hard in order to pay off their debts within the year unless some good reduction is made.

These figures indicate that 314 men got clear titles during the year just finished. During that year they paid in $293,876.92. In 215 of those 314 cases reductions were made to the extent of $122,023.25, or an average reduction of $567.55. Instead of wholesale evictions and signing of quitclaim deeds under Mr. Murchison, only one foreclosure took place during the year just ended. I believe that was because the man had left the land years ago and was still residing in England.

There have been heavy crops during the past three years, and in my opinion that has helped to account for the good showing that has been made by these old veterans during the past year. Of course the average reduction of $567 has helped. But considering the conditions under which these men have to work I contend that the whole amount should have been wiped off many years ago.

I bought land in my territory for one-quarter what some of these men paid for theirs, and I feel I paid a good price even at that. These men were saddled with heavy prices for livestock and machinery; they were saddled with worn-out horses that were good for nothing else but crow bait, and with milch cows that were just in the canner class.

During the past few years cattle and hog prices have been much better, and this has contributed to these men being able to pay off their debts. Actually many of them have gone without the things they needed in their homes, including improvements to their homes, so they might be able to get clear title before they passed on to the great beyond. I believe that all these men are 60 years of age or older at the present time, some of them being many years older than that. I do ask the government to give consideration to this matter and spend $572,411.33 in order to clear off this indebtedness.

I believe we may now get this matter cleaned up, and that it will not be necessary for me to bring it before the house again. As I said earlier, however, if it is not cleared up then it will be before the house again next session. I want to thank members of all parties for their co-operation. Thanks for this co-operation have been expressed time and again by members of the soldier settlers' association of Canada, and I express it on my own behalf tonight. The men who are not on the treasury benches know the hardships that many of these fellows have gone through, and I hope the men on the treasury benches will see to it that no time is lost in rectifying this injustice.

Mr. A. J. Brooks (Royal): Mr. Speaker, first of all I want to congratulate the hon. member for Battle River (Mr. Fair) for again bringing this matter before the house. As he has said, it is a subject that has been before the house on many occasions. As a matter of fact I think this is the sixteenth time he has moved this resolution, and I confess it is about the sixteenth time that I have spoken on the matter. The resolution he has moved today is the same or nearly the same as he has moved in former years. The subject has been well covered not only in the house but also on many occasions in the veterans affairs committee. It has also been a subject of discussion with the Legion and other soldiers' organizations across Canada.

I must say that I do not consider the matter as important today as when the hon. member for Battle River first brought it before the house. A great many changes have been made and there have been a great many improvements. We must admit that. A great many improvements were recommended in the veterans affairs committee by veterans' organizations, and I am pleased to say that some, if not all, have been implemented. But, Mr. Speaker, it is now 1953, and it is a long time since 1919 when these so-called soldier settlers came back from the first war and took up these farms. I do not suppose any group of men in Canada deserves more credit than the soldier settlers. For all these years some 25,000 of them have been endeavouring to pay for their farms against very great odds. Most of them have now succeeded in doing so, and we are pleased to hear from the hon. member for Battle River that today of the original 25,000 there are only about 500 remaining who have not fully paid for their farms.

It is not necessary for me to repeat the arguments we have heard many times in the house with respect to why we consider these men deserve great consideration and praise. They took up farming after coming back from overseas, when farming was not a profitable occupation. They took it up at a time when the prices they had to pay for their farms were out of all proportion to what they were worth at a later date, and what they were worth prior to the time they

bought them. The hon. member for Battle River also mentioned the price of the stock they had to buy. They paid $125 or $150 for a cow which a few years afterwards they had to sell for $15 or $20. What was true of their cows was true of their horses and the other stock they purchased.

They also went through what I suppose was the hardest period of years in the life of farmers in Canada. In the period from 1920 to 1939, when the second great war started, there had been two depressions. These men struggled through the bad times. Their case was considered by the government on several occasions during that time, and some improvement was made. In addition, Mr. Speaker, these men were never their own bosses. If they had something to sell they could not, like the ordinary farmer, go out and sell in the best market or sell when they wished to. There was always someone from the soldier settlement department at their elbow who told them when they could or could not sell. I know from the experience of potato farmers in particular in my own province that when the soldier settlement board felt they should pay whatever was due on their farms they were practically compelled to sell their product at the then market price and not wait, as other farmers had the opportunity to do, until prices increased. All these things reacted against these men.

I believe the hon. member for Battle River also spoke about the high interest rate these men had to pay. If he did not do so this year I know he has in the past. For many years these men were charged 5 per cent on the money they had borrowed, and any who did not make their payments were charged 7 per cent. All this indicates the great hardship under which these men operated. I am satisfied that most of them not only paid for their farms but paid for them two and three times over.

There is another matter that we should take into consideration when we are considering the debt we owe to the soldier settlers. When the second war came many thousands of them joined the veterans' guard and did their part a second time for the safety and protection of our country. Many thousands of their sons joined the forces and went overseas.

As I said before, there were 25,000 soldier settlers in 1919, but today I understand that not more than half of them are living. We must remember that most of them are now over 60 years of age. They have become old men, and I think it is only a matter of justice for us to say to the 500 who have found it impossible to pay for their farms in all these years that we as a parliament and a people feel that we owe a great debt to them and that before they pass on, as hundreds of their comrades already have, they will be permitted to own the land for which they have tried to pay for so long a time.

I was speaking a moment ago about the difficulties these men encounter when they come to sell their products. I wish to mention the fact that those who come under the Veterans Land Act also face the same difficulty at the present time. When I was home for the Christmas vacation I had occasion to discuss the problem with a settler under the Veterans Land Act. He told me that over a year ago he wanted to cut some pulpwood. At that time he could have obtained $20 a cord for it. He made application to the board for the privilege of cutting the pulpwood, but did not receive permission until nearly six months after his application had been filed. When he cut the pulpwood he found that the price was not $20 a cord as it had been when he expected to cut it, but only $10 per cord. Then he found that it was impossible for him to sell at that price. The board would not allow him to sell, so he is holding his pulpwood today and it is rotting in the woods. This man, who is a poor man, cut 25 cords of pulpwood in the hope that he would receive $500 for it but today it is not worth anything. I say that because of the bureaucracy of the officials administering the Veterans Land Act the men are suffering somewhat the same as did these men under the Soldier Settlement Act.

I do not think, Mr. Speaker, it is necessary for me to labour this question at any length. As I said a moment ago, 34 years is a long time in which to ask a man to pay for property. I believe we owe it to these men to give them clear title. I understand there are only 500 men involved, and the amount is only $500,000. Today we are paying $150,000 a year to clear up the indebtedness on these farms. In a few years, at $150,000 a year, we would soon equal the $500,000 that is owing. I agree, therefore, with the hon. member for Battle River (Mr. Fair). Let us clean this matter up today and give these old men, who for so many years have hoped that before they died they would have their homes paid for, a clear title. I am sure we will not only be doing justice to them but justice to ourselves.

Some people may contend, and I have heard the argument in this house, that such an action would establish a precedent. As I said a few moments ago, the original agreement with these men has been changed many

times. On many occasions the Legion and the veterans' organizations in this country have recommended the very procedure which is recommended in this resolution tonight. I do not think there is a returned man in this country who would feel that a precedent had been established. In addition to that, the only men who could claim that a precedent had been established would be these men under the Veterans Land Act. These men were given 33 per cent off the price of their farms when they purchased them after the second world war. A large amount was also spent in helping them to buy machinery. Today the men under the Veterans Land Act are paying 3½ per cent on the money they borrowed, whereas up until 1944 the men under the Soldier Settlement Act paid over 5 per cent, and if money was overdue they paid 7 per cent. In my mind, therefore, there is no argument at all about a precedent being established.

I am not going to labour this point any further. Like the hon. member for Battle River I hope this will be the last year that it will be necessary for this resolution to be brought before this house. It is a very small matter indeed. It will mean very little to the people of Canada, but it will mean a great deal to these few men who still remain. I believe it is only a matter of justice that this should be done.

Mr. P. E. Wright (Melfort): I should like to add my words, Mr. Speaker, to those of the hon. member for Battle River (Mr. Fair) and the hon. member for Royal (Mr. Brooks) in support of this resolution which the hon. member for Battle River has presented to this house so often over the years. It has been my privilege to support him in presenting this resolution during the years that I have been here. As a soldier settler myself, and one who knows something of the trials and tribulations of the 25,000 veterans who took up land under the soldier settlement board in 1919, I can assure you, sir, and this house that the few remaining men who still have debts under this act would be almost invariably those who have had trials and difficulties over and above the ordinary disadvantages that have accrued to farming over this number of years.

Originally we had 25,000 veterans who owed some $109 million. The average original debt was about $4,380. By 1951 that debt had been reduced, as had the number of men who still owed money, and there were 1,272 settlers owing some $1,428,000. At that time the veterans affairs committee recommended that that debt should be cancelled. On page 547 of *Hansard* for 1951, you will find the recommendation the committee made to this house. It reads:

> Your committee recommends that all indebtedness of soldier settlers under the provisions of the Soldier Settlement Act, 1918, be remitted, and that they may be granted clear title to their holdings.

At that time we had real hopes that the government would accept that recommendation. Unfortunately they had decided previously to take a different course of action. They decided to set up a fund, and individual applications were to be made for refund of debt. In 1949 there were 692 of these applications and a reduction of $269,311 was made. In 1950 there were 226 reductions—I should not say applications because there were a greater number of applications, but that number of applications were given favourable consideration. In 1950 some $106,386 was written off individual debts. During the last two years still further reductions have been made, to the point where today there are only 548 settlers owing about $573,000.

I should like to know just what it has cost the government to screen all those individual applications. It seems to me that it must have cost them almost as much as the total debt that is still owing on these lands. I am sure that if the hon. gentleman who replies on behalf of the government would give us the figures, they would show that the amount of money these 548 settlers who still owe the government have paid over the past 34 years is probably three or four times the amount of their original debt. They have been paying for about 34 years on these debts when they were able to do so, yet the average debt is over $1,000 today. Surely after 34 years some consideration should be given to these veterans who gave their best in the first world war. Many of these men were wounded, and many of them are unable to carry on as you or I have been able to do over the years.

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

Mr. Wright: Yes.

Mr. Blackmore: Does he happen to have at hand the average interest rate over the years?

Mr. Wright: I know that during the first years the interest rate was 5 per cent, and if there were any overdue balances the interest was 7 per cent on those. This interest adds up rather quickly. I know that at various times the government came to the assistance of these settlers. At one time there was a reduction of some 30 per cent in the indebtedness on stock and equipment. Another time fifty-fifty payments were arranged with regard to back payments, so that if you paid fifty cents on the dollar you

were credited with the dollar payment. But even with those steps that were taken by the government there still remained a hard core of veterans who, because of no fault of their own—because of sickness in their families, ill health, the fact that they had been settled on poor land, or perhaps that they did not have any farming experience to begin with—were unable to meet their obligations. I do not think it is asking too much of this parliament to ask it to clean up those remaining 548 cases and give those old veterans, who for 34 years have been struggling to pay for their land, clear title to that land.

Mr. William Bryce (Selkirk): Mr. Speaker, I should like to support the resolution introduced by the hon. member for Battle River (Mr. Fair) with respect to soldier settlers. I should also like to say that he deserves great praise for his persistence in bringing this matter before the house every year. I am quite sure that he has earned the distinction of being a fighting Irishman, because I think this is the sixteenth or seventeenth different occasion on which he has brought this matter before the house.

I do not rise to support this motion merely because I happen to be an old soldier. I rise as a Canadian, because I want to see justice for these old soldier settlers. The matter of granting clear titles to these men has been brought up for consideration in the veterans affairs committee on many different occasions. The matter has also been raised in the house here. The Canadian Legion has supported it; in fact, the Legion has given it every support. The hon. member for Battle River and other hon. members of the house have put on the record statistics covering the last 30 years. No good purpose would be achieved by my putting those statistics on the record again. According to the remarks of some of the members who have already spoken, these old soldier settlers now owe about half a million dollars; I think the hon. member said the amount was $572,000.

I can talk from practical experience, having been a settler in this country. When those soldier settlers were buying their farms wheat was $2.50 a bushel. Everything they bought—whether it was the farm, horses or anything else—was based on $2.50 wheat. You did not get a particularly good team of horses in those days for $500. Cows were $150 apiece. Implements were on a level with those high prices. It is the men who have stuck to the farms, the veterans of the first world war, whom we want to see have some comfort and pleasure after an extremely hard life.

One could talk about the frozen crops, the drought, etc., but they lived through the thirties, a period which was calamitous not only to soldier settlers struggling for an existence but to all farmers. Like my colleague the hon. member for Melfort (Mr. Wright), I sometimes wonder what the administration costs are in connection with this half million dollars that is now owing. I wonder if it would not be good business for the government to write off that amount. I wonder whether they would not be farther ahead, whether they would not save themselves considerable money by so doing.

Most of these men are now over 60 years of age and should be entitled to every consideration in connection with giving them clear titles. This is not a political matter. In the past hon. members of all parties have supported this resolution. On behalf of these men who rallied to the call of Canada in the years 1914 to 1918, in our hour of need, I appeal to the government even at this late date to give them clear titles and let them hold their heads high for the few remaining years they will be here.

Mr. L. A. Mutch (Parliamentary Assistant to the Minister of Veterans Affairs): Mr. Speaker, this is not the first occasion on which it has been necessary, or on which it has been my pleasure and responsibility, to speak on this motion. I need not remind the house—because the hon. member for Battle River never lets the house or me forget it—that on two occasions from my seat in the house I supported the resolution which is now before us, and did so with a vote.

I think perhaps I can show that in recent years I have been able to do something more about it than support it, when I say that during the time I have been associated with the department, under successive ministers, as a matter of policy some $825,000 has been contributed toward the liquidation of some of these cases of debt in an orderly fashion, by means of an annual grant, on the principle of applying this measure of relief where it was most imperative that it be given and where it was most needed.

I rise now to suggest to the house that this is a proper practice which has been carried out for the last five years, I think it is, and is now projected for another year. I would point out that what has been accomplished has been, year by year, to do in an orderly fashion rather more than to give consideration, which is what the resolution asks for. We have not only given consideration; we have actually liquidated the problem—and to an increasing extent—each year.

I think there is more to be taken out of the progressive increase in the number of cases of debts liquidated each year than the mere fact that although these old veterans are getting a little bit older, most of them living in Alberta and Saskatchewan, I am told, have in recent years had rather better than average crops with better than average prices, and they have responded by helping themselves.

I am quite frank to say that on a couple of occasions when the numbers involved were greater; when the stability of Canadian agriculture was infinitely inferior to the position at the present time; when there was a great demand all across the country for handouts of various kinds, I supported this motion as it stood. I also supported it in the veterans' affairs committee, as was mentioned a moment ago, at least to the extent of receiving the recommendation and reporting it to the government—I think I was chairman of the committee at the time—on the ground that it was uneconomic to send good money after bad.

But I would remind the house that members of the government have a responsibility—and surely those in the opposition would not quarrel with this statement—to husband public money even more carefully than they would their own. I accept the figures which were given to us tonight of a reduction of approximately $400,000 in the amount for last year as against a contribution from the government of less than half that amount. I think perhaps there is a good deal to be said for a good business policy of orderly reduction of debt by assistance.

I reject out of hand the suggestion in the speech of the hon. member for Battle River (Mr. Fair) tonight for the first time, that these people had been badly treated, that they have been subjected to injustice. I think the hon. gentleman was more unfair and a bit more bitter in his presentation tonight than he had ever been before. It surprised me a little, particularly when he is getting so near to the end of the road and when so many pleasant things have been said to him about keeping this matter before the attention of the house. He has been fairly successful. To put it in his own words and in the words of others, this campaign of his has been so successful that I was surprised a little that he should be digging back into the past to claim any credit for his opinion of former officials, rather than to accept the fact that his voice has been listened to, as all voices are listened to, when that which they propose has merit.

The hon. member for Selkirk (Mr. Bryce) also had something to say. I know him; I know his sympathetic instincts. I know the tendency of the Scot to be sentimental. I know as well as any man in this house the difficulty of keeping the sentimental approach away from any matter dealing with veterans, and particularly of veterans who are ageing and under financial or physical stress. In his remarks he indicated that he had accepted the idea that there was something unjust about it. The injustice of what has happened to these people in individual cases is often the result of their differences of opinion with administrators in the field, or it is the result of the prevailing prices which existed at the time of purchase, or it is the result of bad advice which was given and taken by the members of the then department.

Mr. Fair: If I might come to the hon. gentleman's assistance, the injustice I mentioned was the price these people had to pay for land, livestock and equipment, which was two or three times what it should have been at that particular time. That is the injustice.

Mr. Mutch: I was coming to that. I just said that it had sometimes been related to prices, and I was on the point of saying that in certain circumstances it has long been recognized that too high prices were paid on good land and a great deal of inferior land was, in other circumstances, procured for and sold to soldier settlers.

I am not going to dig back into the political history of the early twenties to remind the house of some of the situations which arose then. I am not denying what some of my hon. friends have said tonight, that there were factors which were recognized in the first instance by some of those who, if they did not perpetrate the mistakes, permitted them to happen during their administration, and by those who succeeded them. One must remember when we talk loosely of injustice that 30 per cent of that indebtedness was written off at one crack, and that many others who were industrious and who were good operators were given a further opportunity under the inducement that was mentioned of a fifty-fifty break on their indebtedness if they were able to meet the offer, and thousands of them did meet it.

Therefore I am a little surprised at my hon. friends coming to the house now at the close of the fifth year of a rather unusual experiment in accomplishing the very thing which they desire to happen, and not showing at least the same kind of appreciation in public which the hon. member for Royal (Mr. Brooks) mentioned a moment ago when he spoke about his realization that the urgency had gone out of some of these problems. I did not take it that he meant that all the bad cases had been dealt with; neither did I take

it that he felt that it was not—I was going to say any reflection—on those who were still in difficulty, but that would be too strong a word. I do not take that position myself, but I do not believe, as the hon. member for Selkirk suggested, that all those men who remain under indebtedness have been the victim either of their service or their circumstances, any more than I believe that all those who already have had advantage of these various reductions were always entirely deserving.

Really it is too late to look into that aspect of it; it is too late to make an issue of whether the late director of the soldier settlement board was a saint or an angel. It is almost bad form to think of him in relation to this particular type of legislation, and certainly I was surprised that any hon. member should claim any credit for the fact that he has been translated to another sphere in the public service. That is not an issue which is germane to this matter.

We have a problem. About a year ago we had 862 people who owed roughly $950,000. As the result of the administration of a fund of $175,000 last year we have been able to reduce these numbers by 262. I did not subtract the figures, but the figures used a moment ago show a balance outstanding of less than $600,000. Taking into account the figures which my hon. friend has given, this probably means that in about two years' time, at that rate, we shall have removed the problem, and we shall not have established a precedent of saying that if you are stubborn enough and you live long enough, even though you make a contract with the government you will not have to pay.

I am not suggesting that a single one of these remaining men is taking that attitude. There have been instances of men who did. I do not know of any at the present time. I am not suggesting that, but I do suggest that there is a principle which has to be recognized; there is a contract. Under these conditions I do suggest it is unfair to say that any injustice has been done to them as individuals as compared with all of the other 25,000 who have succeeded or who have passed out of the picture, having striven and failed.

I am particularly and peculiarly aware of the fact that we have here a great new field of contracts with the veterans of world war II. We shall have more shortly. I am not unmindful of the importance of the way in which this or any other government succeeds in winding up the soldier settlement board scheme. I feel sympathetic. I am as sympathetic to the objects of the hon. gentleman as I was when I stood up in my place in the house and voted on the first occasion, with some personal embarrassment.

Being as close to the administration of the department as I am, I am convinced from what I have seen that what we are doing is not working the type of hardship upon these people which has been indicated tonight by some of my hon. friends. I believe that we are accomplishing our objective in an orderly, businesslike manner, and in a way which is not likely to prejudice the contracts which will exist in the future or give rise to hard feelings on the part of those who made the necessary little bit of extra struggle or had the necessary little bit of extra luck to fulfil their contract at the full price.

There is no one, I am informed, who is in dire necessity as a result of his indebtedness to us who is not given consideration, who is not assisted in many instances either partially or by outright payments. I submit, sir, that this approach to the problem, with which I have had some association and which has been received so well by most of those who have profited by it, is as much as the house should ask of the department at this particular time. I submit that it is meeting the situation and will continue to meet it in full whether or not my hon. friend will have an opportunity to come back and make one more appeal for the last time. I suppose that is in the hands of other persons than him and me. If he is elected, I am sure he will make the plea again. If he does and I am speaking with any responsibility at that time, I am quite sure that I shall be able to tell him that the number is reduced again; that the cases of real hardship have been taken care of, and that the people for whom he pleads and for whom he has pleaded for so long—whom I too, in my own way, have tried to serve—are not getting a deal that can be described as unjust, but that they are, among debtors, in a preferred position, and that we are glad it is that way, and have every intention to keep it that way.

Mr. Victor Quelch (Acadia): Mr. Speaker, I should like to make one or two comments on the speech of the parliamentary assistant to the Minister of Veterans Affairs (Mr. Mutch). He has referred to the fact that many reductions have been made in the past. However, perhaps many hon. members are not aware of the fact that the reductions that were made rarely, if ever, caught up with the accumulation of back interest.

In those early years, in 1919 and 1920, when the soldier settlers first settled on their lands, the costs of those lands and of the equipment were excessive. Unfortunately

it seemed to be the practice of many civilians at that time to soak the veteran the very highest price for any land he bought or any stock they sold him. As a result of that, and the fact that the prices of farm products fell very rapidly after the first war, soldier settlers very soon found themselves in a position where not only could they not make payments on principal, but they could not make their interest payments. The result was that interest charges accumulated on the overcapitalized value of the farms.

Finally, when the government saw that many of those soldier settlers were going to throw up the sponge, a reduction was given. But the reduction was too small. The interest had already accumulated, and the reduction did not bring the amounts owing by soldier settlers down to a level which bore a fair relationship to the value of the commodities they owned.

It has been pointed out that only 500 are left, and it is urged that this is not a bad record when one considers that originally there were 25,000. That, however, is not the case. It does not mean that only 500 of the 25,000 have not paid for their land, because a large percentage of that 25,000 simply quit. If we could say that they had all paid for their land, with the exception of 500, it would be a pleasing picture; unfortunately, however, a large percentage lost their land, and we cannot do anything about it now.

I went through the depression years as a soldier settler, and I know about many of the tragedies enacted in those years. I know of farmers who were trying to hang on, trying to get along on a shoe string, while at the same time pressure was being placed on them to make payments on their land. Those men were having tremendous difficulty in barely existing on their farms. That is why so many of them became discouraged and gave up.

As I say, we cannot do anything about that now. I appreciate what has been done in recent years in cutting down the amount of indebtedness of our older soldier settlers. Yet we must keep in mind that those few who remain are getting on in years. They are in a position now where they should be able to build up a reserve for their old age, and they should not have to continue to make payments on land. Let us keep in mind that the soldier settlement scheme was supposed to be a re-establishment scheme under which soldiers could become established within a period of 20 years. But now more than 30 years have gone by, and still they are not established.

[Mr. Quelch.]

The parliamentary assistant would admit, I am sure, that this situation has developed through no fault of these men. We recognize that in certain cases it was not possible for veterans to become established in 20 years, or in any length of time. Now we have 500 of them left, and it is 33 years since they first took up their land.

Surely we can very well write off the small amount that is left. The parliamentary assistant has suggested that this would be a bad example to the veterans settling under the new scheme. I think it would be just the opposite, because it would give those veterans who are settling today an assurance that if they play the game and if, in years to come, owing to conditions over which they have no control, they are unable to meet their obligations, the government will play fair with them and, if necessary, make a further reduction.

I can see the parliamentary assistant does not fully agree with what I am saying. But let me say that right today perhaps too much pressure is being placed on some of the veterans under the new scheme. I have heard that observation from some of the department's own field supervisors, who say the main point of consideration should not be how much money a veteran pays in, but rather to what extent he has improved the land; and that if certain improvements have been made the government should ease up on its collections. If certain farms are to become really productive, then a certain amount of money must be spent on them. If they are permitted to depreciate, to go downhill, they will suffer a loss of revenue.

I am quite satisfied that if we treat these 500 in such a way that we finally wipe off the debt it will not encourage veterans now settling on the land to say that they are not going to pay. I am sure they will not wait 20 years to have their debts reduced.

These old veterans have been on the land 30 years. While I appreciate what the department has done in recent years in cutting down the debt, I appreciate especially the work of the parliamentary assistant, because I feel that in the years he has served as chairman of the veterans affairs committee he had done everything within his power to see that the veterans get a fair deal, not only in regard to land but in regard to pensions and other matters connected with veterans affairs. He has done good work.

I suggest that at this time the government might very well say, "Well, there are only 500 of them. They have done their best. We will wipe the thing out."

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, on behalf of my colleague the Minister of Veterans Affairs (Mr. Lapointe), who is away on duty, I should like to say a word on this resolution. It is a pleasure at this time to renew acquaintance with my old friend the resolution of the hon. member for Battle River (Mr. Fair). Each year, when I had the honour of being minister of veterans affairs, I had that pleasure.

I express my thanks to the hon. member tonight for bracketing my name with that of the present minister and of the parliamentary assistant to the Minister of Veterans Affairs, in connection with the useful efforts that have been made on this subject. I am not going to make a prolonged speech. Certainly I am not going to make the old speech made in the past, because I have not had a chance to dig it up.

I am interested, however, in seeing that this problem, brought before the house each year by the hon. member for Battle River is, like the old soldier, not dead, but gradually fading away. Indeed it is fading away very rapidly, if we may judge by the figures quoted tonight. I believe it was in 1948 when we did institute a program, and at that time we said it would be a long-term one. However, it is not going to be so long because, as the parliamentary assistant said this evening, before very long, the whole matter will be wiped out in orderly fashion. And perhaps it will be cleared up with priority given to those—and I say this after due thought—who deserved it most in the first instance.

Having said that, it is with a good deal of regret that I must tell my hon. friend again this year that the government is not prepared to concur in his resolution. Consequently I shall find it my duty to vote against it. However, I join with him in expressing appreciation to the minister and his parliamentary assistant, as well as to the director of the Veterans Land Act, for the sympathetic understanding they are giving to veteran problems, and particularly the problems of the old-timers affected by this resolution.

The house divided on the motion (Mr. Fair) which was negatived on the following division:

YEAS

Messrs:

Argue	Churchill
Aylesworth	Drew
Beyerstein	Fair
Blackmore	Fleming
Blair	Fraser
Brooks	Fulton
Bryce	Gagnon
Casselman	Graydon
Catherwood	Green
Harkness	Nowlan
Hees	Pearkes
Herridge	Quelch
Hodgson	Shaw
Johnston	Starr
Jones	Stewart (Winnipeg North)
Knight	Thatcher
Knowles	Thomas
Lennard	Tustin
Macdonnell (Greenwood)	White (Hastings-Peterborough)
MacLean (Queens)	Wright
McLure	Wylie—44.
Meeker	
Nickle	

NAYS

Messrs:

Anderson	Henry
Applewhaite	Huffman
Ashbourne	Jeffery
Bater	Kickham
Beaudoin	Kirk (Antigonish-Guysborough)
Benidickson	Kirk (Digby-Yarmouth)
Blue	Lafontaine
Boisvert	Laing
Boivin	Langlois (Gaspe)
Bonnier	Larson
Boucher	Leger
Bourget	Lesage
Bourque	Macdonald (Edmonton East)
Bradette	MacDougall
Bradley	MacNaught
Brown (Essex West)	McCann
Byrne	McCulloch
Cameron	McCusker
Campney	McIlraith
Cardin	McLean (Huron-Perth)
Carroll	McWilliam
Carter	Martin
Cavers	Murray (Cariboo)
Cloutier	Mutch
Cote (Verdun-La Salle)	Parent
Crestohl	Pearson
Decore	Pouliot
Dickey	Proudfoot
Dube	Richard (Ottawa East)
Dupuis	Rooney
Eyre	Ross (Hamilton East)
Ferrie	Rousseau
Fournier (Hull)	St. Laurent
Fulford	Schneider
Garson	Smith (Moose Mountain)
Gauthier (Lake St. John)	Stuart (Charlotte)
George	Studer
Gingras	Tremblay
Gour (Russell)	Ward
Gregg	Weir
Harris	Whiteside
Harrison	Whitman
Hellyer	Wood—88.
Helme	
Henderson	

Mr. Cruickshank: I was paired with the hon. member for Cape Breton South (Mr. Gillis).

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted I would have supported the motion.

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted I would have voted for the motion.

Mr. Cardiff: I was paired. Had I voted, I would have voted for the motion.

Veterans Affairs

VETERANS AFFAIRS

AMENDMENT OF STANDING ORDERS TO PROVIDE FOR STANDING COMMITTEE

Mr. P. E. Wright (Melfort) moved:

That standing order 63 be amended by inserting therein immediately after subsection (1) the following new subsection:

(m) on veterans affairs, to consist of 35 members, 10 of whom shall constitute a quorum.

He said: Mr. Speaker, it hardly seems necessary for me to speak to this motion which in effect would set up a permanent veterans affairs committee of the house. The necessity for such action is quite evident from resolutions passed by the Canadian Legion over the past number of years. In almost every presentation they have made to the veterans affairs committee they have asked for a permanent committee. The veterans affairs committee played a very prominent part in drawing up the veterans' charter which parliament passed after the last war, and I believe it was of great help to the government in so doing. That was natural, because on that committee there have always been members who were veterans and who from past experience have been able to give ideas and suggestions to the government in the preparation of veterans' legislation for the house.

It was because of the veterans on the veterans' affairs committee that the new act dealing with land settlement was so much better than the old Soldier Settlement Act that we had after the first war, and which the house has been discussing tonight. It was due to the suggestions of veterans on the veterans affairs committee that housing projects for veterans were initiated after the last war and the small holdings scheme brought into operation. It was due to the suggestions made by the veterans affairs committee to the government that much of the legislation in the veterans' charter was placed there. Therefore I feel that a permanent veterans affairs committee would be of great assistance to the government in seeing that the purpose for which the legislation was passed is carried out in the administration thereof.

As time goes on the administration sometimes gets farther and farther away from the intent and purpose for which acts were passed. After some five or ten years the people administering such legislation forget the purposes and objectives underlying its passage, and I am sure that a veterans affairs committee of the house dealing with these matters from year to year would be able to see that the intention behind the various pieces of legislation in the veterans charter was carried out. Only with a permanent veterans affairs committee that can keep the administration of the legislation close to the needs of veterans are we going to get the kind of administration that we should have.

Take, for instance, the war veterans' allowance. At the present time there is a payment of $50 a month to a single man and $90 a month to a married man, with an allowable earned income over and above that of $120 per year. Surely no one can argue that is enough for a veteran to live on. Surely the allowable earned income should be greater than it is at the present time. Surely the $50 and $90 should be raised to at least $60 and $120, and we should allow our veteran whatever he may be able to earn over and above that amount. These are matters which should be dealt with by a permanent veterans affairs committee.

Over the past number of years the government has seen fit to set up veterans affairs committees approximately every second or third year to deal with legislation which they proposed to bring before the house in the form of amendments to the various pieces of veterans' legislation. These committees are set up for a specific purpose, and are not able to deal with the general veterans' legislation. The discussion in the committee is held to the matters which are referred directly to that committee, and we are not able to bring forward many of the suggestions that we, as members, have from our own organizations in the country or from individual veterans as to how the administration of the veterans' charter could be improved.

As I said, as time goes on there are going to be more difficulties in the administration of the veterans' charter. The people administering it are not as sympathetic as they were when the acts were first passed. At that time most of the men who were holding administrative positions in the department were veterans themselves, and were in immediate contact with their comrades. As time goes on they become civil servants rather than the representatives of the veterans.

Mr. Mutch: Will the hon. gentleman permit a question? Is he suggesting that the interpretation and administration of the veterans' charter has suffered by a lessening of the community of interest between the officials of D.V.A. and the veterans?

Mr. Wright: I am saying that has been the tendency in the past. Certainly that is what happened between the first world war and the second world war. I am saying that that tendency in the Department of Veterans Affairs will grow unless we have a permanent committee of this house. I believe it is quite evident to the hon. member who has just

spoken that that did happen between the first war and 1939. At that time there was a much less sympathetic attitude in the department than there was in 1919 and 1920, so far as the administration of veterans' legislation passed after the first war was concerned. I am quite certain that will occur again in the department.

Mr. Mutch: Since the hon. gentleman has challenged me, I would not concede that. I believe that the interest, the knowledge and the understanding of the intent of parliament was much greater, and that within the scope of the legislation individuals were much better treated in 1939 than anyone thought possible in 1919.

Mr. Wright: The hon. member who has just spoken has expressed his opinion, and I am expressing mine. I am expressing an opinion which I think was held by a great number of veterans. I believe I am expressing an opinion which is becoming prevalent among the veterans today. They believe that as time goes on there is a less sympathetic administration of the various acts under the veterans' charter.

I believe one of the main reasons for establishing a veterans affairs committee is to ensure that the intent and purpose expressed by the veteran members of the committee when the various acts were passed are carried out by the administration as the years go by. If that were not a fact, why would the Legion representatives ask for a permanent veterans affairs committee? That has been one of the things we have had placed before us by practically every representative of the Legion during the last three years. Surely they must have a reason for that. The Legion usually has sound reasons for making requests to this government. From time to time the government has seen fit to listen to these representations and, in part at least, to put them in the form of legislation.

I should like to hear from the hon. member who has interrupted as to just why we should not have a permanent veterans affairs committee, in view of the fact such a committee could assist the government in the administration of the veterans' charter. That is the only reason I have for putting forward this suggestion at this time. It is a suggestion which I believe would assist the government in keeping the veterans' charter what it was intended to be, something of real assistance to our veterans in their re-establishment in civil life.

Another matter which is being brought up this session is that of further assistance to veterans' children for education. This subject was discussed when the charter was first being considered by the veterans affairs committee. On different occasions I, along with other members of that committee, asked that some provision should be made in the veterans' charter for the education of veterans' children. It is only now, after several years, that the government is considering the matter.

I do not know what legislation the government may introduce concerning assistance to the veterans' children for education, but I hope they will appoint a veterans affairs committee of this house and submit the legislation to that committee. In this way the government would receive the benefit of the knowledge of the members of this committee, and that would be of assistance to the government. As yet we have had no indication that it is the intention of the government to set up the veterans affairs committee and refer that particular legislation to them. I believe that should be done.

If this motion were accepted and a permanent veterans affairs committee established, it would add to the effectiveness of the veterans' charter by reason of the fact that the committee would be kept in close touch with those who are affected by the charter. I am sure that if he had been here the minister would have had something to say about this matter. I am sorry he is not in his seat tonight. Probably his assistant may have something to say on the subject. I hope what he says will be sympathetic, and I hope he will agree with me that we should have a permanent veterans affairs committee of this house.

Mr. G. A. Cruickshank (Fraser Valley): I should like to say a word or two on this motion. I am rather surprised that the hon. member took up so much time. On a motion as important as this, I would not try to talk it out. I should like to say that I agree with him, but if the matter comes to a vote I shall not be able to vote because I am paired with one of the members in his group. I am putting forward a different argument in favour of the motion.

I happen to be a member of two committees of this house, I believe. One is the committee on the restaurant. It might just as well be sitting in Korea for all it does. Then I have the honour to be the chairman of the printing committee. I believe I have been the chairman ever since 1940. We have had one meeting since 1940. I would have liked to have meetings oftener. Once when I thought we were going to have a room all to ourselves I saw a picture in the press of

the place our new offices were going to be in Hull. I still cannot swim, so I could not hold the meeting over there.

I believe the government has stated how important this committee on veterans affairs is. If I recall correctly, last year we spent $228 million in the Department of Veterans Affairs. I am looking at it from the straight financial point of view, and $228 million is a lot of money. I do not know of any committee that should be more important than the veterans affairs committee. If we owe a debt to anybody, we owe it to the veterans of this country and their dependents. We have had excellent committees ever since I have been here. I have had the privilege of sitting on them. On the whole we have got on very well together as members representing all parties. I have never been able to see eye to eye at all times with the hon. member for Vancouver-Quadra (Mr. Green). But on the other hand, any man who could see eye to eye with him on all matters should not be here. He should be in a position which is a long way upward. But the veterans themselves have asked for this committee. All the veterans' organizations have asked for it because they and I think it is in the best interests of the veterans themselves.

We had an excellent committee, Mr. Speaker, which had more to do than anything else in this house with bringing in that excellent old age pension legislation we now have. That committee studied the matter continuously. I believe we should have had a committee this year on health insurance. Whether that view is right or wrong, that is my opinion.

We have a large number of veterans in the Dominion of Canada. I am not going to say here and now whether or not they have been properly treated. That is not the point as I see it. For the benefit of the hon. member for Melfort (Mr. Wright), I may say that I am not reading my speech. In the interests of the veterans throughout the country and, as a matter of fact, in the interests of the economy of Canada as a whole, we should have a permanent committee. Obviously as the years go by we shall have to review the plight of the veterans and their dependents from a different angle from year to year. We brought down an excellent veterans' charter, but that charter should be kept up to date. In order to keep it up to date we shall have to look at conditions as they change. We have had inflation to a certain extent. We therefore have to view the financial remuneration to these veterans and their dependents in the light of world conditions of the day.

[Mr. Cruickshank.]

I am not trying to talk this resolution out. Probably I am in the unfortunate position that I am not able to vote for a few days because of my pair. I believe that the people of Canada, including the majority of the members of this house if they look at this matter from a free point of view, would like to see this committee set up. As I have already said, Mr. Speaker, when we have set up a committee that sits once in ten years and another that sits about once in three or four years, whose members do nothing but look at one another and sympathize with one another over the poor food we get in the cafeteria, surely we should have a permanent committee to consider the affairs of our veterans. I am entirely in favour of it. The veterans of my riding, through their Legion, are entirely in favour of this committee. I also believe that the people in my riding are in favour of having this permanent committee set up at this session of parliament.

Mr. A. J. Brooks (Royal): Mr. Speaker, like the hon. member who has just taken his seat, I do not wish to talk this resolution out because I think it is an extremely important one. It is one that has been before the house on many occasions. The house well knows my views on this subject. On a good many occasions I have recommended a permanent veterans committee of the house. As I think the hon. member who has just taken his seat stated, the veterans of this country look upon the veterans committee as their forum.

Since the first veterans committee was set up many years ago—I am not sure of the date but I think it was in 1916—we have had a great many veterans committees. We have had one practically every second session. As far as veterans are concerned, the situation keeps changing from year to year. When the veterans' charter was put through here in the house a few years ago—and at that time the members who sat on that committee worked for many weeks—we thought we had evolved a fairly perfect charter for the veterans. But since then there have been a great many changes; and year after year, as conditions change in this country, the veterans' situation changes. I am sure it is obvious to all of us that, with these changes, it is necessary that the veterans committee of the House of Commons should be permanent.

When I was speaking on this matter on a previous occasion I think I pointed out that there are in the House of Commons a number of permanent committees which never sit at all. They never have any business to come before them. A veterans committee,

however, is one in which, every year, extremely important business could be discussed.

For instance, there are now two government resolutions on the order paper. One of them, of course, is not particularly important because it is more or less routine. The other, however, is important and should be discussed by a veterans committee. There should be other resolutions as well. I am not going to discuss the War Veterans Allowance Act tonight, but there is not a member in the house who does not realize that the situation with regard to that act is highly unsatisfactory to war veterans all across this country who are in receipt of that allowance. There should be a change in the War Veterans Allowance Act. I am hoping that a committee will be set up this year and that the War Veterans Allowance Act will receive consideration by this committee and by the government.

As I said a moment ago, Mr. Speaker, it is not my intention to assist in talking out this resolution. It is a most important resolution. I sincerely believe that a committee of this house should be set up. I wish to express my strong approval of the resolution which has been moved tonight by the hon. member, and to express the hope that the house will give favourable consideration to setting up this year a permanent veterans committee of the House of Commons.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I do not want to repeat any of the arguments used by those who have already spoken in this debate, but I want to indicate my approval of this resolution and to express the hope that the government will see fit to set up this permanent committee. We have veterans' legislation coming up from time to time; and from all appearances we shall have such legislation coming up for quite a number of years. With a permanent veterans committee set up, it will be possible to deal with those items as they come up without having to wait—as I know we have had to wait in the past—for a number of pieces of legislation to come up, hold them back and lump them all in one bunch so the committee could be set up and take them all in one lot.

In addition, we find that the veterans' organizations hold their conventions annually. With a permanent committee set up we could hear their briefs and consider their recommendations without having to wait to set up any special committee. We regret that the hon. member for Fraser Valley (Mr. Cruickshank) will not be able to vote on this matter; but he is in the fortunate position of being able to indicate which way he would have voted when he stands up to announce that he is paired.

Mr. Cruickshank: I have already stated that.

Mr. Thomas: That is fine. The hon. member can do it again.

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I should like to say a few words in connection with this resolution. At the very commencement of my remarks I wish to say that I am in favour of the principle of this resolution with respect to the setting up of a permanent veterans committee.

As you know, Mr. Speaker, without my reiterating it now, we have a large number of house committees. We also have at various stages of development and, I might say, of impotency, special committees of the house. They are set up annually, and as the hon. member for Fraser Valley (Mr. Cruickshank) has already said, they seldom meet. Anyone who looks at this problem will have to appreciate the fact that as long as the cold war continues—and at the present time there seems to be no abatement of it—as long as we have the great number of veterans that we have from world war II, and as long as we have that diminishing number of veterans of world war I, it seems to me that the establishment of this committee is a great deal more essential than a lot of the other committees that are now recognized as established committees of the house.

In addition to that, there is the question with respect to the changing conditions of the veterans. Last year, as a member of the veterans committee, I supported Bill No. 181 because I felt it was a step in the right direction; not that it was the complete answer to the veterans' problems but at least a step in the right direction. I think it is the duty of all hon. members in all parts of the house to be interested in the welfare, health and well-being of every man who in the hour of national crisis as far as the freedom of our country was concerned, saw fit to enlist in one of the various branches of the armed services of our country. I do not know of any class of citizens within the Dominion of Canada possibly more entitled to consideration than the men who offered their lives in the service of their country.

That is why I wish to say very tersely and affirmatively that as far as I am concerned, and I am sure as far as the veterans' organizations and the general population and the electors of my own riding are concerned, they will support me one hundred per cent when I make a plea for the establishment of this committee at this time.

Mr. Knowles: Question!

Some hon. Members: Question!

Mr. L. A. Mutch (Parliamentary Assistant to the Minister of Veterans Affairs): No, we will not vote on the question at the moment. If one accepts the speeches we have heard on it tonight, to say nothing of the ones we have heard before, at anything approximating their face value, this matter should not be decided in the last three minutes of a long day, and particularly in the absence of the minister of the department. It is also a question in which numbers of those on previous veterans' committees, which includes the hon. gentlemen who just called "Question", have been gravely concerned. I am not going to attempt to deal with it in the three minutes that are left, so I ask you, Mr. Speaker, to call it ten o'clock, and I move the adjournment of the debate.

On motion of Mr. Mutch the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): I move the adjournment of the house, Mr. Speaker. Tomorrow we shall take up the motion to set up the committee to examine national defence expenditures. If that motion is disposed of we shall take up the resolution relating to the appointment of an associate minister of national defence; then the items on the order paper in the name of the Minister of Transport.

Mr. Green: In what order, can the minister say?

Mr. Fournier (Hull): Items 32, 31, 30 and 26 on today's order paper.

Motion agreed to and the house adjourned at 9.55 p.m.

APPENDIX

CANADIAN NATIONAL TELEGRAPHS

1953 Jan 10

MOA091 39 Montreal Que 10 1227P

The Honourable Brooke Claxton

Minister of National Defence Ottawa

Your telegram ninth received. Have had private investigation underway and some significant developments. On speaking RCMP headquarters here am told not yet instructed but will put my investigators in touch with them with all information and co-operation.

G. S. Currie.

MINISTER OF JUSTICE AND ATTORNEY GENERAL OF CANADA

OTTAWA, Canada, January 17, 1953.

My dear Colleague,

Referring to your letter to me of January 10th, 1953, I now wish to inform you that the R.C.M.P. have now completed their investigation and their report discloses that a copy of a draft of the report by Mr. George S. Currie was stolen from a printing shop in Montreal between November 25th and November 29th, 1952. In our opinion there is sufficient evidence to identify the person who took the report and warrant a criminal charge against him.

Following normal police practices, the facts as disclosed by the investigation have been made known to Mr. Currie.

Yours truly,

Stuart Garson.

The Hon. B. Claxton, Q.C., M.P.,
Minister of National Defence,
Ottawa, Ont.

OTTAWA, January 17, 1953.

G. S. Currie, Esq., C.A.,
507 Place d'Armes,
Montreal, P.Q.

Dear Mr. Currie:

Following your letter of January 7 and my telegram of January 9, the R.C.M.P. as you know have been investigating the matter.

I have just received from the Minister of Justice a letter of this day's date reporting on this and I enclose a copy.

Yours sincerely,

Brooke Claxton.

HOUSE OF COMMONS

Tuesday, January 20, 1953

The house met at 2.30 p.m.

CURRIE REPORT

REFERENCE TO RADIO BROADCAST BY MR. KNOWLES

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I rise on a question of personal privilege. Last evening the hon. member for Winnipeg North Centre (Mr. Knowles) participated in a broadcast outside the house about a matter being discussed in the house, namely the Currie report. I, of course, take no exception to that action. However, in the broadcast the hon. member used these words:

> But at any rate may I also point out that the Prime Minister himself, back in 1945, received certain documents which he knew were stolen.
>
> Mr. Fraser: What do you mean by that?
>
> Mr. Knowles: The documents that Igor Gouzenko brought to him when he was minister of justice and he felt it in the interest of the state that use should be made of those documents even though he knew quite clearly whence they had come.

I do not doubt that the hon. gentleman's recollection of what took place in 1945 may have become a bit hazy, but that statement is quite untrue. I never at any time saw Igor Gouzenko nor his documents nor did I at any time have them in my possession. The whole story is related in quite some detail by the then prime minister in *Hansard* of March 18, 1946, starting at page 47. I will not take the time of the house to read it but any hon. member who wishes to refresh his memory about the complete details will find them enumerated there. In the report of the royal commission which was set up to inquire into that matter, in another long narrative of the facts he will also find the following paragraph at page 644:

> Gouzenko, his wife and child, remained in apartment 6 for the rest of the night, under the care of the city police. There was a later caller at apartment 4 in the night but he retired in a short time without incident. On the morning of the 7th of September, Gouzenko was taken to the office of the R.C.M.P. where he turned over his documents, told his story and asked to be kept in protective custody as he feared for his safety and that of his wife and child.

My own personal recollection of the facts is that on the morning of the 6th of September—parliament was opening on that day—I did not go to the Justice building but came directly to the centre block here, and that when I arrived here my secretary reported to me that a man with his wife had gone to him and asked to see me and had explained that he wanted to see me because he was from the Russian embassy and had some papers that he felt were of importance to the security of Canada. I answered that I could not see him, that we were maintaining friendly diplomatic relations with the Russian embassy and that I could not take any part in any quarrel between an employee in the embassy and his employers. I felt that that might become a rather serious international incident.

I communicated with the Under-Secretary of State for External Affairs and told him what my attitude had been and that, unless I received directions from the government to act otherwise, that is the way I felt I should act; that my secretary had a story that he would tell the Under-Secretary of State for External Affairs if he wished to hear it. I heard nothing more about it that day or until an incident that afterwards I found rather amusing. The high commissioner for the United Kingdom was having a reception out at Earnscliffe. It was a fine day and he was receiving his guests on the lawn. I was standing chatting with him when the Russian ambassador came up to greet his host. I still stood there and we had a few minutes' conversation, in the course of which the high commissioner asked the ambassador—who, I gathered afterwards, used to do some fishing in the Ottawa river opposite Earnscliffe—if he had done any fishing recently. The ambassador had not done any in the last few days, and he turned to me with a smile and said: "And what about Your Excellency? Did you find the fishing good today?" Well, I did not know that he was chaffing me about the possibility of information having been conveyed to me by someone from the embassy. But afterwards I came to the conclusion that perhaps my sense of humour was not as keen as was that of the ambassador.

It will be recalled that this man had tried on the 5th to tell his story, and had told his story to someone in a newspaper office, and had not been taken very seriously. He had tried that day, or on the 6th of September, to get someone to take his story seriously and had failed to do so. He had then asked—being apparently in real fear for his security—the occupant of apartment six in the apartment house where he had apartment four if he

could not stay there, or if they would not take care of his child because he was afraid there might be some attempt to reach him in his own apartment, and there was an attempt which is related in this report by the Prime Minister and related in the report of the royal commission that there had been a fracas there. Four people had burst into apartment four and had ransacked it. The municipal police had been alerted and they did appear on the scene, and they watched over Gouzenko and his family's safety during the whole of that night, and the next morning they took him to the Royal Canadian Mounted Police. I was informed that that was taking place; I was told that he was brought there by the city police. I said: "Well, that seems to be regular procedure. I am not giving any instructions to the R.C.M.P. to behave in any other way than they behave when incidents are brought to their attention by municipal police." After that, the thing developed, but to the best of my recollection I never at any time saw Gouzenko. I did not see him to know that he was Gouzenko even if I did happen to see someone going by with the R.C.M.P. who actually was Gouzenko, and I never saw the documents.

Mr. Knowles: Mr. Speaker, if I made a statement with respect to the part played by the Prime Minister in this incident which is not completely correct I readily accept the correction that he has made this afternoon. But may I be permitted at the same time to ask the Prime Minister one question? Is it not true that the documents referred to were accepted and used by the government of which he was a member, despite their known source?

Mr. St. Laurent: The documents in question were used as evidence of a criminal conspiracy against the safety of the state, which they revealed, and I am convinced that the hon. gentleman will agree that there was nothing done there in any way different from what is done when stolen property gets into the hands of the police and is used as evidence in prosecutions that are later instituted.

INTERNATIONAL LABOUR ORGANIZATION

TABLING OF CONVENTIONS AND RECOMMENDATIONS

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, in conformity with the provisions of article 19, section 5, of the constitution of the international labour organization, I desire to lay on the table authentic texts of the following conventions and recommendations which were adopted by the international labour conference at its thirty-fifth session, held at Geneva, in June, 1952, together with a copy of a letter from the acting deputy attorney general of Canada setting out the legislative jurisdiction for each of these conventions and recommendations: Convention No. 101, concerning holidays with pay in agriculture, 1952; Convention No. 102, concerning minimum standards of social security, 1952; Convention No. 103, concerning maternity protection, revised, 1952; Recommendation No. 93 concerning holidays with pay in agriculture, 1952; Recommendation No. 94 concerning consultation and co-operation between employers and workers at the level of the undertaking, 1952; and Recommendation No. 95 concerning protection of maternity, 1952.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I desire to ask leave to move, seconded by the hon. member for Melfort (Mr. Wright), the adjournment of the house, under standing order 31, for the purpose of discussing a definite matter of urgent public importance, namely the possibility that the government may be influenced by the report of the royal commission tabled yesterday and thereby fail to undertake the immediate construction of the beneficial South Saskatchewan river project consistently recommended by the government's own P.F.R.A. officials and repeatedly promised to the people of western Canada by spokesmen for the federal government.

Mr. Speaker: Mr. Argue, seconded by Mr. Wright, asked leave to make a motion under standing order 31 to adjourn the house to discuss a definite matter of urgent public importance. The motion is made according to the rules after the ordinary daily routine of business has been concluded and before notices of motions or orders of the day are entered upon. The motion is accordingly made at the right time. The hon. member has stated the matter and has handed to me a statement of the matter proposed to be discussed.

It is my duty is determine whether it is in order and of urgent public importance. I have read the motion. One question for me to consider is whether the matter is one of urgent public importance in accordance with the rules of the house. I should remind the house that the question of urgency is one which means that the matter is so important that the national interest would suffer if consideration of it is not proceeded with immediately. The provisions with respect to this matter are found in Beauchesne's Parliamentary Rules and Forms, third edition, citation

172 and following citations. Let me refer hon. members to citation 176, which reads:

The "definite matter of urgent public importance", for the discussion of which the adjournment of the house may be moved under standing order 31, must be so pressing that public interest will suffer if it is not given immediate attention.

And may I also remind hon. members of the second paragraph in citation 174, which reads:

"Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

This is a matter which has been under consideration by a royal commission for some considerable time. The report of the royal commission was tabled yesterday. I am sure there will be ample opportunity within the near future, under the rules of the house, to discuss the matter. I do not feel it is one which should be debated today, so as to interrupt the business which has been arranged for today. Therefore I cannot allow the matter to be proceeded with at this time.

CUBAN SUGAR

IMPORTATION AND SALE IN CANADA

On the orders of the day:

Mr. H. A. MacKenzie (Lambton-Kent): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Acting Minister of Trade and Commerce or, in his absence, the parliamentary assistant to the minister. In view of the fact that sugar beet growers in western Ontario are quite alarmed about the importation into Canada of fully refined sugar from Cuba, has the parliamentary assistant to the minister of trade and commerce any definite information as to what date the minister is scheduled to be in Cuba, in conference with the Cuban government officials, in an endeavour to come to an amicable agreement on the selling of fully refined Cuban sugar in this country?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): As hon. members are aware, there were two or three public announcements put out about the trip of the minister to Latin America. I understand he will be in Cuba on February 2, 3 and 4, and that a meeting will take place on February 4. I think that is public information that has been put out many times before.

Inquiries of the Ministry

FREIGHT RATES

REPORTED HIGHER RATE ON BRITISH AUTOMOBILES

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker I should like to ask a question of the Minister of Transport, of which I have given notice. Has it been brought to the minister's attention that a higher freight rate per mile is charged by the railways on British cars shipped to the prairies from Montreal than on Canadian cars shipped from Toronto Oshawa or Windsor? If so, has he considered action to end this discrimination?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, dealing with the last part of the question first, let me say that the matter of discrimination is not one which can be handled by the minister. It is one which as a rule, is the responsibility of the board of transport commissioners when there is unjust discrimination. But there are cases where the railways, because of competitive rates, have the right to file certain tariffs.

In this case I am informed that current rates on domestic automobile traffic are dictated by competitive conditions which are said not to exist in relation to automobiles imported from other countries.

DAIRY INDUSTRY

UNITED STATES IMPORT RESTRICTIONS—ACTION BY CANADA

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Trade and Commerce. Has the government of Canada made representations to the government of the United States protesting against their most recent action in placing further restrictions against the importation of dairy products into that country, contrary to the Geneva agreement on tariffs and trade?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): The answer is no. Hon. members are no doubt aware of the changes now taking place in the United States administration. In the light of these changes, the government has been awaiting a favourable opportunity to review this whole question, and to decide what further representations should be made. It will be recalled that representations were made with respect to the first action taken by the United States government.

Mr. Fleming: Could the parliamentary assistant give us the date upon which the last representations were made on this subject to the United States government?

Mr. McIlraith: I cannot give that date, offhand; but I can recall to the hon. member's attention the fact that the further restrictions referred to in the question were imposed by the United States government on December 30, 1952.

VICTORIA DAY

REQUEST FOR ANNOUNCEMENT OF DATE OF HOLIDAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Secretary of State. In view of conflicting interpretations in the press concerning the act passed last year, can an official announcement be made as to which Monday in May will be observed as Victoria Day?

Hon. F. G. Bradley (Secretary of State): Mr. Speaker, an announcement is to be made in due course.

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed, from Friday, January 16, consideration of the motion of Mr. St. Laurent for the appointment of a committee to examine defence expenditures and commitments, and the amendment thereto of Mr. Claxton, and the amendment to the amendment of Mr. Knowles.

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, I intend to intervene but briefly in this debate, which is taking place on the subject as set forth in the resolution read to the house a moment ago by the Clerk Assistant. Many matters have been covered in debate, with some of which I should like to deal again. I do not think it would be fair to the house, however, to repeat some of the arguments made here before, important as they may be.

References have been made to statements made by the chief of general staff, both in a letter tabled in the house and in an article which has appeared subsequently in the *Canadian Army Journal*. I was very glad indeed to hear the statement of the Prime Minister (Mr. St. Laurent) that the article in question had been written prior to the chief of general staff having seen the Currie report. This might suggest that the printing of the *Canadian Army Journal* is not as expeditious as one might like. Nevertheless it is a good thing that the statements contained therein cannot be construed as a criticism of the House of Commons, as such.

However, in his letter, the chief of general staff referred to what he termed as attacks upon the armed services. And the minister, speaking in the house on January 13, said, as reported in *Hansard*:

> Perhaps I have been overenthusiastic in the defence of the armed forces, against what I felt to be unjustified charges.

I say, with respect, that that is a red herring thrown across the trail to try to obscure the real matter which should be investigated. In so far as I know, there have been no charges made against the armed forces at any time—certainly by no member on this side of the house. That should be made clear.

Mr. Currie in his report, and quite properly, reflects credit upon and compliments the members of the armed forces for having failed to walk through the open door which was left open to them by the administration, through this government, of the Department of National Defence. He says that it reflects great credit upon the honesty and integrity of the members of the forces. With that we all agree. We realize, as I think the Solicitor General (Mr. Campney) said earlier in this debate, that in any group of men you are bound to find some crooks. That is true. But we do take pride in the fact that the number of those who have appeared in any investigation of the armed forces is very small indeed.

I am sure that the reputation of our armed forces as to either honesty or efficiency, will compare very well with the reputation of the forces of any other nation in the world. I am quite sure that members of the armed forces would compare most favourably with a similar group of citizens from any walk of life, even members of the House of Commons. Some of us have had experience in the armed forces. There are many sitting around here, some like myself, who were rear rank privates while others were colonels, generals or occupied comparable ranks in the sister services. I think we all realize that the one thing which undermines the morale of the armed forces more than anything else is the loss of confidence in those at or near the top. That is something which saps the morale of the armed forces. It is something this parliament should rectify. That is what we are trying to deal with during this discussion of the Currie report, and nothing more.

Let us analyse for a moment the speeches made by the Solicitor General and the Minister of National Defence (Mr. Claxton), the latter speaking on January 13, both of which were long, both of which fully covered the field, and both of which were undoubtedly carefully prepared. I think they made the best defence possible in view of the circumstances with which they were confronted.

What do we find? I think their arguments fall into two classes. In the first place they both denied that there was any breakdown in the administration of the department. I think they denied that categorically. Then they went on to say, following somewhat the principle of the pleadings which were in effect under the old common law practice of confession and avoidance, that if there was a breakdown, which they submitted there was not, then it was due inevitably to the sudden expansion of the department brought about by the Korean crisis and the impossibility of getting trained personnel with which to perform the task confronting the department.

That is a most plausible explanation. It is one which perhaps we could understand, it is one which perhaps we could accept with some sympathy, if it were not for some of the statements which have been made by the Minister of National Defence in dealing previously with this matter. I have gone back through *Hansard* to look up some of the statements made by the minister with respect to the reconstruction of this department and its expansion. We remember in 1946 when the legislation was passed providing for the reorganization of the department following the war. Steps have been taken since then to develop this department.

We find that on June 24, 1948, almost five years ago, the minister, speaking on behalf of the government, set forth the purpose of the Department of National Defence, and I quote from page 5784 of *Hansard* of that date as follows:

(2) to provide the operational and administrative staffs, equipment, training personnel and reserve organization which would be capable of expansion as rapidly as necessary to meet any need;

That was a program which the minister laid down for himself, for the government and for his department in 1948. On August 31, 1950, the minister summed up the work of his department during the past year and then went on to say, and I quote from page 104 of *Hansard* as follows:

In conclusion I think we can say that we have been fortunate in that we were able to complete—

I ask you to note the word "complete".

—the post-war organization of the armed forces earlier and to a greater extent than most other countries, so that we have a sound organizational foundation upon which to build. It is, I believe, a smooth-working and efficient set-up—

Having reviewed his department during 1950, that was the statement made by the minister. Then during his estimates in 1951 there was some discussion with the hon. member for Greenwood (Mr. Macdonnell), who inquired about the set-up. The minister is reported on page 3362 of *Hansard* of May 24, 1951, as having replied to the hon. member for Greenwood as follows:

It is set up in accordance with the practice which has obtained in the Department of National Defence over the years. There has not been much change. We have to do a job, and we do it.

That was a summary given by the minister in 1951. In other words, in 1948 we have the minister setting forth the program which he has to accomplish, that is, the setting up of an administrative nucleus which could be expanded to meet any demands. In 1951 we have the minister boasting of the fact that that has been accomplished. That program was to cover an administration organization which would be capable of expansion to meet any demands, to use the minister's own words.

What do we now find? We find the minister and the Solicitor General coming into the house and saying, "It is true, we have run into difficulties, but that is because we have been expanding, it is because we have not been able to get trained personnel, it is because we have not the organization which we should have in order to meet the demands with which we are confronted." I think that one can say without being unfair that what the minister is saying is this: If we have failed, and we have failed to some extent, then our failure is due to the fact that we failed to set up the organizational set-up which we told the house we had set up. In other words, the house was not treated frankly when those questions were asked before and when the picture was created that we had a nucleus which could be expanded to meet any demands. Now we have failed because forsooth we failed in the past in setting up that organizational base.

In this connection I think one should point out that in 1947-48 this government spent for national defence in the establishment of this nucleus $239·9 million. In 1948-49 we spent over $252 million. In order to establish the nucleus which the minister said would be capable of expanding to meet any demands we spent over a quarter of a billion dollars in each of those years.

In 1936-37 this government spent $36 million through the Department of National Defence. Having spent what now appears to be a most paltry sum upon a nucleus for the defence of Canada, the Department of National Defence was able to expand and to take care of all the administration work entailed in fighting a second world war. According to the boasts of the government, they expanded it efficiently, there was no

scandal or no suggestion of waste or extravagance. Yet a few years later with an expenditure ten times as large they were not able to make the expansion which was so necessary to be made.

In that connection too I should like to refer to another statement of the minister to the hon. member for Greenwood in the same debate on May 24, 1951. The hon. member for Greenwood had raised some question about the possibilities of moneys being wasted, and the minister said, as found at page 3348 of *Hansard*:

> I should like to ask the hon. member who has just expressed these vague fears if he knows of any reason for having them. If he knows of any failure of the services engaged in inspection to do their job properly I should like to hear about it. I have not heard about it and therefore I can assure him that I know of no reason for expressing dissatisfaction with the present situation. I hear of all cases that involve trouble, and I have heard of no case.

That is the statement of the minister to the hon. member for Greenwood in May of 1951. Yet Mr. Currie in his report refers to the fact that the chief auditor had made reports time and time again. Mr. Currie said:

> Time and again he had reported unsatisfactory conditions. This is clear from appendix "B" which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

We have the situation that in May, 1951, the minister said he had heard no report whatsoever reflecting on matters concerning his department. Yet we have this unqualified statement in the Currie report speaking about report after report that had been referred and pigeonholed. The minister did not deal with this matter in his lengthy address the other afternoon. I think the minister should tell the house whether he obtained these reports to which Mr. Currie refers. If he did not get them, why did he not get them? If he did get them, why did he make a statement such as he made to the hon. member for Greenwood in reply to his question? I think those are matters with which we are concerned.

The minister did say that some time in February of 1952, I think it was, a committee was set up, almost a tri-service committee, representing the Auditor General, his own department and others, to conduct an investigation. He says that at that time he had received reports about Petawawa and other matters and he set up an investigating committee to conduct an inquiry. I wonder if that was the first investigation that was conducted for the department? I wonder if the minister received no other reports before that. He was laying the foundation for the expansion of his department. Would he not apply to the civil service commission, for instance, for administrative personnel when necessary? Would there not be reports by officers of the civil service commission with respect to his department? I wonder how many reports the minister did receive concerning affairs in his department. I wonder if, for instance, he received reports criticizing construction costs. We have had a statement by the hon. member for Red Deer (Mr. Shaw) respecting certain defence costs. I wonder if reports were received showing that buildings constructed by the engineers, for example, cost twice as much as those built by civilian contractors long before 1951. How many reports, if any, other than this one which the minister received, were received by his department, if not by him, prior to May 24, 1951?

Those are matters concerning which I think the house is entitled to more information than it has received heretofore. I quite agree with the minister that we are not concerned here with looking for scapegoats, and whatever our own interests may be in this house, certainly the people of Canada are not concerned with us playing politics. What they want is the situation cleared up so that the defence department and armed services can be maintained at as high a standard of efficiency as possible, and so that the taxpayers' dollar, 50 cents of which goes into this department, can and will be safeguarded. It is for that purpose that the defence expenditure committee is being set up, and I do not think it is fair to the committee to hamstring it by an order that it must first deal with the Currie report. In other words, the function of the committee would then be to investigate the investigator.

There are many other things that should be investigated by the committee. There are tremendous expenditures of government money concerning which the people expect a report by this parliament. Normally the house will be rising in a few months, and with the vast amounts of money that have been expended by this department and which expenditures have been referred to the committee, I say, sir, that it is not expedient, practical or right that the committee should be compelled to deal first with the one matter of this report and therefore be precluded from investigating many other matters with which the committee would like to deal. In fact it would appear that not only is the government attempting to becloud the matter of the Currie report itself, but by tying it in with

this committee it is also going to do its best to hamstring that committee and prevent it from conducting investigations into other matters which certainly should be investigated rather than the one question of the Currie report.

I do not intend to go further into this subject at this time. I think it is a matter of paramount interest to the nation, and one with which parliament should deal and deal now. I should like to make one reference to a matter which transpired yesterday and which possibly is sub judice now. However, I intend to make no specific reference except to the letter tabled yesterday by the Attorney General of Canada having to do with certain investigations and saying that following normal police practices certain matters had been referred to an individual. Without going into the details of any one matter, I wonder just what the reference to "normal police practices" means. We have heard a reference this afternoon by the Prime Minister to the police dealing with a national matter threatening the safety of the state and on a national basis. I have had some little experience with police matters as a prosecuting officer for many years and sometimes as defence counsel, and it is my experience that it is not the function of the police to conduct investigations on the orders of the Attorney General of Canada and then apparently to pass the matter on to an individual and say, "Either you deal with this or not", with the inference that if you do not you are failing in your duty to the state.

If there is a crime under the provisions of the Criminal Code, that is a matter for the attorney general of the province, and with that he should deal. If there is no crime under the Criminal Code and if it is a matter affecting the safety of the state, then it is one with which the Attorney General of Canada should deal as attorney general and not simply table correspondence in the house saying that the matter has been referred to an individual, and will he now please make up his mind what he is going to do about it. I doubt if that is consistent with the way in which matters of this kind should be dealt with, and I think it is something which will cause concern to all who do not want to see the intervention of police in matters which at one moment are termed criminal and at another moment savour of a political investigation. These, sir, are simply some observations of many that could be made on this report at this time.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I do not intend to speak today only as a member of parliament or as a member of the Liberal party. I want to speak in another capacity, that of a taxpayer—a modest taxpayer who tries to abide as well as he can by the law of the land. I find that the contest between the C.C.F. and the Progressive Conservatives to steal, not another copy of the report but the show of political propaganda, from each other, is rather childish. Last week, leaving aside countless interruptions and elaborate and learned dissertations on points of order, for three days—with the exception of the Minister of National Defence (Mr. Claxton) and the Prime Minister (Mr. St. Laurent), only five Liberals and fourteen opposition members spoke. There were nine Progressive Conservatives, three members of the C.C.F. and two Social Crediters. Two opposition members spoke for every supporter of the government who spoke.

Last session the Leader of the Opposition (Mr. Drew) criticized the appointment of Mr. Currie to make the report which has been referred to so often.

Mr. Fleming: No, he did not.

Mr. Pouliot: I remember that he complained about Mr. Currie's appointment.

Mr. Fleming: He did not.

Mr. Drew: Mr. Speaker, I simply wish to make a correction. There is no record of my having criticized the appointment of Mr. Currie—in this house or outside the house.

Mr. Fleming: At any time.

Mr. Pouliot: I am very glad the hon gentleman has said that because now he considers Mr. Currie to be a great oracle.

Mr. Drew: Mr. Speaker, in a matter that affects a very definite question of the acceptance of Mr. Currie, I wish to make it clear that I have at all times expressed my confidence in Mr. Currie. That confidence has gone back for a great many years.

Mr. Pouliot: That is very good. Then he is an oracle and the Leader of the Opposition had no reason to rise again. He, and the C.C.F., swear by Mr. Currie's written word—

Mr. Fleming: The Liberals are swearing at him.

Mr. Pouliot: —and not at all by his spoken word. They do not want him to appear before the committee which would be appointed in virtue of this motion. The Progressive Conservatives and C.C.F. together do not seem anxious to controvert the veracity or exactitude of his pronouncements and to know whether they are well founded in fact or not. On the other hand, the Minister of National Defence, whose conscience is clear, says: Let us call Mr. Currie to give evidence before the committee.

It makes a great difference.

The amendment of the Minister of National Defence was to instruct the committee—

—initially to give priority in their examination—

—to the Currie report. On the other hand, the hon. member for Nanaimo (Mr. Pearkes) moved instead that Mr. Currie should be—

—authorized to continue his inquiries and conduct a similar investigation—

—during the sittings of the committee. That subamendment was declared out of order.

Then, the hon. member for Winnipeg North Centre (Mr. Knowles), a C.C.F. member, moved:

—to give consideration to the desirability of recommending that Mr. Currie be asked to conduct a further inquiry into any other expenditures and commitments covered by the terms of this resolution.

Both subamendments are wholly *ejusdem farinae*—to the same effect. The Progressive Conservatives and members of the C.C.F. do not seem to desire that Mr. Currie shall appear before the committee to substantiate his allegations of wrong doing in the army. Either they are afraid to have him as a witness or they realize that there is not enough already in the report to justify their commitments.

Mr. Wright: The police prosecutions have substantiated them.

Mr. Pouliot: That is the opinion of the hon. gentleman. We may differ with him. He may be right and I may be right. He is right in name but I may be right in fact.

Mr. Speaker, I have read with great concern the last report of the R.C.M.P. in which it is said that criminality has increased by 43 per cent in one year. That is very bad. Human nature is the same in the army as in civilian life—no better. No certificate of good behaviour is required by the army and the toughest guys are often the best soldiers. The responsibilities of parliament and the duties of members to control expenditure are necessary things in parliamentary life, but one should not lose any sense of proportion. Now, according to the Currie report, and if what he says is right, the total amount that has been wasted would be $50,000 out of $2 billion. That means—

Mr. Fleming: That is not what he said.

Mr. Pouliot: Well, that is the calculation that has been made by most of the speakers. That means $5 for each $200,000 of expenditure; $1 for each $40,000 of expenditure; 1 cent for each $400 of expenditure; and ¼ of a cent for each $100 of expenditure.

An hon. Member: Peanuts.

[Mr. Pouliot.]

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

Mr. Pouliot: Surely.

Mr. Fleming: Will the hon. member, in the light of what he has just said, favour the house with his comment on this expression in Mr. Currie's report as found at page 714 of *Hansard*?

My view would be, however, that the generally lax administrative situation would give rise to waste and inefficiency far more costly in loss than that covered by actual dishonesty.

Would the hon. member favour us with his comment on that pungent statement in Mr. Currie's report?

Mr. Pouliot: My comment would be this, and it dates back to a long time ago. One day in this house I said that the brass hats were mummies wrapped up in red tape. To my great humiliation the prime minister of the time asked me to withdraw. It may apply to Mr. Currie.

Mr. Fleming: He is not a brass hat.

Mr. Pouliot: What the hon. gentleman has said shows clearly the importance of the subamendment sponsored by the Minister of National Defence, to bring Mr. Currie—

Mr. Knowles: Mine is the subamendment.

Mr. Pouliot: Yes, but the first subamendment was by the Minister of National Defence to give priority—

Mr. Fleming: That was the amendment.

Mr. Pouliot: —to the report before the committee. Then, when the motion is accepted or is voted on, the hon. gentleman and all other members of the committee will have full opportunity to get some evidence from Mr. Currie, and to be informed about the total amount of the money which has been wasted, according to what he has said. Until then and until his figures are checked and corrected, if necessary, it will be impossible for anyone, on the face of the report, to say what it is. But $50,000—

Mr. Fleming: What does the hon. member say it is?

Mr. Brooks: He was just speaking in respect of Petawawa.

Mr. Fleming: The hon. member has stated there was a figure put on—

Mr. Pouliot: I would ask the hon. member not to be hurt by what I have said. He may have a great surprise when he has the opportunity to hear the evidence that will be given by Mr. Currie before the committee. I hope that he will get full information. Undoubtedly he will do so. Then he will

be in a better position than he is today to make a statement or to adopt a statement that has been made by another.

I will now tell him something. He is a lawyer of experience and he knows that all reputable institutions have an account which is called the profit and loss account. I should be greatly surprised if the profit and loss accounts of our chartered banks, which are solid, and those of other important financial institutions were not higher than the amount referred to a moment ago and if their losses amounted to less than or to as little as a quarter of a cent per hundred dollars. But the opposition can hardly find any scandal during the eighteen years the Liberal party has been in power.

Mr. Hodgson: What about Beauharnois in 1927?

Mr. Pouliot: That was not in the last eighteen years and it was not a scandal. It was greatly exaggerated.

An hon. Member: Do not start to go back too far.

Mr. Pouliot: If we go back far enough we may find Garland, Foster and others such as Sam Hughes and all that. If you want a retrospective story I can give it because I have used it a great deal in past elections. I have a good enough memory to describe Sam Hughes accurately—

Mr. Hodgson: Tell us about Beauharnois.

Mr. Pouliot: —and also what happened at Valcartier near home.

Mr. Hodgson: You are part of the government. Tell us about Beauharnois.

Mr. Pouliot: No, no. I want the committee to sit as soon as possible. The position of the opposition is this. The hon. gentlemen are overrating and exaggerating the importance of this one report in the hope that it can serve their petty political purposes.

Some hon. Members: Oh, oh.

Mr. Fraser: No.

Mr. Pouliot: My friend the hon. member for Peterborough West (Mr. Fraser) says no. I will mention one incident, and I will do it in French. "La plus noble conquête que l'homme ait jamais faite est celle de ce fier et fougueux animal qui partage avec lui la gloire des combats." I mean the horse, the friend of man. Having spoken of horses on the paylists, they do not realize how harmful it could be to those who have spoken about it in the house. I know the farmers and the day labourers very well. No one of them is so pleased as he is when he can have some work with his horse. When he works without his horse he is paid much less than he is paid when he works with his horse. I invite any Conservative speaker to speak about the shame of having horses on the paylist. He would be laughed at by his audience. The people who have horses are accustomed to work with them—to work with the horse and the wagon—and they are naturally better paid than they are when they have none to work with.

Mr. Fleming: Mr. Currie said they were there under the names of non-existent labourers.

Mr. Pouliot: Perhaps it was the family name of the horse.

Mr. McGregor: I think the hon. member is headed for the Senate.

Mr. Pouliot: My hon. friend does not represent a rural constituency; but if he saw the names of some animals, he would be surprised. The names are so long that he would take them for grandees of Spain.

Mr. Fleming: Apparently the Department of National Defence did that.

Mr. Knowles: Are any of those horses going to run in the next election?

Mr. Pouliot: At the next election we will all defeat the president of the C.C.F. in the province of Quebec as I did twelve years ago when a majority of 12,000 was changed into a majority of 3,500. I had my say then. He will never be successful in political life. He is just a turncoat. That is not a threat, Mr. Speaker. It is a warning and a prophecy.

All hon. members are entitled to scrutinize the public accounts with a magnifying glass. No one should have any objection to that. But their criticism has missed the target because it was overdone and mostly because it was unfair and expressed lack of confidence in the Minister of National Defence. The only trouble was that he had to travel a great deal and nobody was appointed as a joint minister or acting minister until recently. But I understand that the government was right in appointing two defence ministers so that when one of them is outside of the country or is outside of Ottawa, there is always one here, who represents the government and the department. The appointment of the new minister was timely and called for.

Having said that, Mr. Speaker, I must say that since the report was tabled on December 15, I have met a number of people, and they are surprised at the length of the speeches which have been made with respect to it. Very often the issue has been sidetracked. What is before you, Mr. Speaker, is a motion

to set up a committee on national defence expenditure; an amendment to give precedence to the examination of the Currie report by the committee; and then another amendment to which I have referred and which I hope will be defeated. In any event, the Canadian people have confidence in the Prime Minister, in the members of the government including the Minister of National Defence—the whole cabinet—and the Liberal party; and the next election will be won by the Liberal party.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the subject before this house is one which does not lend itself to the kind of remarks which have been made on a number of occasions. This house has now before it a resolution which relates to the most important department of government, and to the expenditure of approximately half of the money that is being taken from the taxpayers of this country at this time. Moreover, the ultimate effect of the discussion which is taking place, and to which our remarks should be directed, is the security of Canada and its survival as a free nation, and nothing else. We are not dealing with any mere satisfaction with the details of one report or another; we are dealing with the effectiveness of the administration of a department which is answerable to the people of Canada for the state of the armed forces and for the welfare and the maintenance of young men and women in uniform over widely separated parts of the world today.

There are young men in Korea engaged in what to them is no cold war, who must rely upon the efficiency of the administration of the department which is under consideration, and they must rely upon the acceptance by the government of its responsibility as a government for the efficiency of that department. There are also young men and women in uniform in Germany, in France, in Britain and in other parts of the world. It is to them that our thoughts should first be directed in considering the effect of any information now before us which may have been brought to our attention. Let us be quite clear on one fact. The reason that the Currie report is before us for discussion now is solely the responsibility of the government. We had on the order paper for some time a notice of a motion which would call for the setting up of a committee to inquire into defence expenditures and commitments for defence expenditures. When that motion was called a week ago today the government employed a device which is entirely within the rules, but which is unusual, of having another member of the government rise on the motion and introduce an amendment which of necessity would preclude the possibility of an effective amendment to the motion such as was well known to be the intention of the opposition.

What must be recognized by everyone is that when an amendment has been made, such as that which was presented in this instance, one need not be in very much doubt that it will receive the support of the majority of hon. members, and therefore any sub-amendment must be added to that amendment and must embrace it. The amendment in question was one to direct the committee to give priority to the consideration of the Currie report. That is the reason this discussion has been taking place in the past week in regard to the Currie report, and the only reason.

It was well known to the government that in our opinion there was no need for the Currie report to go before the committee on defence expenditure; it was well known to the government that we asked only for action on the Currie report, but that we did seek a wider inquiry into the broad field of organization and administration of the Department of National Defence which it was obvious should take place because of the disclosures in the Currie report.

I am speaking at this time on the first occasion in this debate. I have waited in the hope that there would be some indication from the government that it would accept the suggestion which I made directly in a letter to the Prime Minister (Mr. St. Laurent) on December 18 and which has been repeated on other occasions since then, that there be an inquiry into the broad details of organization and administration of the Department of National Defence. It is clear now, however, that the government intends to proceed with the course which it stated it intended to follow at the time that its position was put forward on the evening of December 17 last. Because of the extent to which an attempt has been made to divert attention from the real considerations before us I think it may be well to clarify some of those issues.

In the statement made by the government on the evening of December 17 an attempt was made to belittle the importance of the Currie report. Furthermore, an attempt was made in that carefully prepared statement by the government to create the impression that any attempt to deal with the disclosures in that report was to be regarded as an effort to take political advantage from the situation disclosed. In addition, it was indicated that the government proposed to divert attention in any way it could from the seriousness of the situation for which, as a government, it must accept full responsibility at this time.

The thing which it seems necessary to repeat and to emphasize is that the Currie report deals only with a very small segment of one part of the army, and deals in no way with the air force, the navy, or with any of the remaining parts of the army not covered by the direction to inquire into the army works services of the engineers. When these fantastic irregularities are disclosed within that small segment, then is it within the bounds of reason to suggest that the breakdown in the department which permitted that to happen affected just one small part of the army? If any argument of that kind were to be made, the answer to that argument was furnished to hon. members of this house by the annual report of the Auditor General tabled here a week ago yesterday. That report, presented by an official whose integrity and independence is unchallenged and unchallengeable, indicated that there are eight different methods of accounting within the Department of National Defence.

Do not let anyone come before this house and suggest that this is a desirable system, and one which has been maintained because of its efficiency. The Auditor General makes it perfectly clear that the ineffectiveness of the system has been emphasized over and over again, and that the government has failed to take the appropriate action to bring about the single system of accounting which is desirable.

These truly fantastic irregularities reported in the Currie report, almost all of which occurred in one camp, were under one system of accounting. What of the other seven systems? What is the evidence in regard to them? The Auditor General makes it quite clear that those other systems are not working any better.

He reports, as an example, that a brigadier in the army, proceeding to the civilian branch of the same service, receives a large salary in that office immediately upon his appointment to the civilian post, and for three months thereafter received the large salary paid him in the civilian post and at the same time his salary or pay as a brigadier. Other examples were given of irregularities which this chaotic system of accounting had permitted.

And yet, after this length of time, since the Currie report was presented to the house—now more than a month ago—there has not been any attempt to apologize to the house and, through the house, to the people of Canada, for the condition which has been disclosed. There has not been any attempt to express an appropriate measure of regret, but only an attempt to create the impression that any emphasis on the need for reforms within that department are, on the one hand, an exaggeration of the importance of the situation or, on the other hand, an attempt to create uncertainty in the public mind as to what the situation really is.

The Currie report is not the issue before us. Neither is the report of the Auditor General. Neither is the evidence put forward by the hon. member for Cariboo (Mr. Murray), on his responsibility as a member, of still larger thefts and defalcations at an earlier date.

This Currie report brought before us for consideration, by the amendment presented by the government a week ago today, is a symptom of a grave disease, not the disease itself. It is the symptom of a dangerous and pernicious disease which calls for deep, firm and courageous cutting to remove the root of the trouble.

However, instead of any indication of an intention to submit the diseased administrative body to this type of operation, poultices of one kind or another are being applied to the surface irritation which has appeared. If this course continues, and if that majority in the house which, for whatever reason it does so, regularly supports the government, does support the course now proposed, then it will assure delay of those effective measures so badly needed to bring about some cure.

By the introduction of the Currie report in relation to the defence expenditure committee the government itself has placed squarely before us its administration of national defence. We know from the Currie report that there has been a complete breakdown in the accounting system of that department, so far as it affected the army branch of the engineering service. The Auditor General leaves no doubt that this breakdown, these chaotic conditions, extend over a wider field.

The statement I have just made cannot be challenged by the government, unless it is prepared to repudiate the Auditor General and also to repudiate Mr. Currie, the man whom they described last year as the man best qualified in the whole of Canada to undertake an inquiry of this nature.

There are certain findings in the Currie report which must not be dismissed from our minds, if we are to give appropriate consideration to the need for action other than that now suggested by the government. When we are told that there was only a loss of $50,000 at Petawawa, and that statement was repeated by one hon. member today, may I remind hon. members of Mr. Currie's words in that connection.

At no time did he suggest that $50,000 measured the losses at Petawawa. Where does this figure come from? On what authority?

Let us see what the man best qualified in the whole of Canada to state the facts has told us on this point. As reported on page 714 of *Hansard*, Mr. Currie, under the heading "The Attempts to Estimate Losses", had this to say:

> These, then, represent the ascertained cases of irregularity at Petawawa. How many more there may have been will never be known. It was apparent from the beginning of the investigation that the accounting records were in a chaotic condition and would be of little use in determining the nature and extent of irregularities. It is impractical, and perhaps impossible, regardless of the time which might be spent on examining records, to try and determine by this means the amount and value of the deficiencies.

That is the statement of a man accustomed to examining accounts. That is the statement of the man chosen by the government to conduct this inquiry. That is the statement of the man whom they described as the best qualified in Canada. That is the statement of a man in whose integrity and accuracy we have indicated our complete confidence. He tells us that these figures cannot be estimated, that the accounting methods are so chaotic that the amount of the losses will never be known.

Let us see what has been said during this debate in regard to some of those things. Speaking for the government, the Prime Minister made the statement that there were no horses on the payroll. We have the positive statement of Mr. Currie that there were. What is the authority for these statements that there are none?

Mr. St. Laurent: The payrolls.

Mr. Drew: The Prime Minister interjects the word "payrolls." When he discussed the report the evidence that he relied on was the evidence of a man convicted of a crime and now in the penitentiary. He ranged that man's evidence against the evidence of Mr. Currie. In fact they waited in order to get this very important evidence so that he could make the statement. Remember that this was not any casual statement by Mr. Currie; this was a statement which had been reconsidered by Mr. Currie. This is the statement which the government tried to have kept out of the report.

An hon. Member: No evidence of that.

Mr. Drew: Oh, yes, there is. This is the statement that was considered and discussed and that Mr. Currie chose to keep in. There is no question as to the good faith of the Prime Minister in making the statement, but the fact remains that he was relying on information which had come to him through channels which are challenged by every finding in this report. He was relying on information which came to him from a man who was convicted in connection with the very irregularities which are reported to us. I might say that he was relying on the evidence of a man who is now in the penitentiary and is seeking a parole.

An hon. Member: He will get it.

Mr. Drew: There is another thing I should like to point out. In an attempt to create the impression of inaccuracy in this report reference was made to the railway siding at Petawawa. The explanation with reference to this or the attempt to diminish its importance has two most interesting aspects.

Mr. Garson: I wonder if my hon. friend will permit a question. He has just made the statement that Sergeant Young is seeking a parole. Would he tell us upon what authority he makes that statement?

Mr. Drew: I would ask the Minister of Justice (Mr. Garson) if he will say that it is not so.

Mr. Garson: I most certainly will. The remissions branch comes under the Department of Justice and certainly no application for a parole has come to my attention. That is the reason I asked the question.

Mr. Drew: I repeat that the man in question is seeking a parole. The Minister of Justice is well able to find that out if he will seek the information.

Mr. Garson: May I ask my hon. friend the source of his information? Did he get it from Sergeant Young?

Mr. Drew: I am referring now to the statement made in the Currie report in regard to the railway siding as reported on page 713 of *Hansard*.

> In one striking instance, a large quantity of rails belonging to the Canadian Pacific railway was removed. When this loss was noted by the C.P.R. and questions raised, a spur line of the Canadian National running into the ordnance depot was taken up and the rails used to replace the missing C.P.R. track.

Some importance was attached to the statement that these rails did not belong to the Canadian National. I would point out the careful distinction that is drawn in this finding between the rails of the Canadian Pacific that were taken up and the Canadian National siding. My recollection of Petawawa goes back a great many years and the second siding from which the rails were removed has been known as the Canadian National siding since it was built into that camp. Those were the rails that were taken up.

However, the most interesting feature of this is that the government seems to think

that it is perfectly all right if rails belonging to the government are stolen, but that it may not be all right if they belong to the Canadian Pacific. That is exactly why I say that the time is overdue for the government to recognize the seriousness of the situation disclosed by this report, by the report of the Auditor General and by the known disappearance of camp equipment right across the country. The attitude of the government is that if it is stolen from the government it is a very different thing. According to the government, this is not a Canadian National siding, it is a government siding, so it is quite all right—help yourself.

Mr. Rowe: Selective theft.

Mr. Drew: This could be described as a selective theft. That has been the attitude of the government in regard to these matters. The story about the dam at Tucker creek is heart-warming to those who realize the piscatorial possibilities of the area immediately behind that dam. It really must conjure up in the minds of members who know a very dramatic picture of fire-fighting when they are told that the dam was built to fight fires out in that distant area so far from the place where the important buildings of the camp really are.

I submit that these are minor findings in this case, but the government has given them importance in an attempt to create the impression that the Currie report is not accurate in detail.

We are told that the government proposes to seek no scapegoats. What is it doing in attempting to create doubts about the reliability of the report made by the man whom they have described as the best qualified man in Canada for this task? If this government, with all its opportunities for propaganda outside of the house—paid for of course by the people of Canada—is going to follow a practice of this kind when it engages the services of a distinguished Canadian like Mr. Currie, then it is going to close the door to the services of a great many Canadians who know what may be in store for them if they state their frank opinion about what the government has done.

We are told that it is important to bring the report before the defence expenditure committee. We are told that it is important to submit these findings of facts to that committee. We are told that it is important to find out if these horses were actually on the payroll or if the information given the Prime Minister by Sergeant Young, who is now in penitentiary, is accurate information.

Mr. St. Laurent: On a question of privilege, I deny having received any information from Sergeant Young or even knowing exactly where he is or how he got there, beyond what I have seen in the records of the department. The information I got was from the department and all the facts, except as to the division of the $1.50 an hour, were taken from the departmental records. The information with respect to the division of the $1.50 an hour was taken from a signed confession of Sergeant Young made before his conviction both to the officers of the provost corps and to the officers of the R.C.M.P.

Mr. Drew: That is the information which the Prime Minister referred to in the statement given in this house—

Mr. Fleming: Pages 892 and 893 of *Hansard.*

Mr. Drew: —and he told us then that he was waiting for the report of the statement by Sergeant Young.

Mr. St. Laurent: My hon. friend is quite mistaken there. I said I made a qualification when I gave the information to the house because there was some of the information that came from a statement made by Sergeant Young, but that was the statement made in the form of a written confession to the police.

Mr. Drew: Mr. Speaker, since this has been raised, let me read exactly what the Prime Minister said. I am interested in the Prime Minister's remark that he did not know where Sergeant Young was. These are his words, as recorded at page 892 of *Hansard:*

> I make this qualification because a part of the information is based on statements secured by the police from Sergeant Young who is now in the penitentiary and it is not possible to check all of them from official records.

Mr. Rowe: That is just what he said.

Mr. Drew: That is exactly what I said, that the Prime Minister was relying in part on information given by Sergeant Young, and the Prime Minister did know he was in the penitentiary.

Mr. St. Laurent: I know he is in a penitentiary. I do not know which penitentiary—

Some hon. Members: Oh, oh.

Mr. St. Laurent: —and the statement—

Mr. Rowe: It does not matter much.

Mr. St. Laurent: —that I rose in my place to protest about implied that I had been in personal communication with Sergeant Young.

Mr. Rowe: It would not matter much which penitentiary he was in. He would be just as comfortable in one as in another.

Mr. St. Laurent: The record will show if that is the implication of the words I rose to protest against.

Mr. Drew: The statement of the Prime Minister is perfectly clear that he knew Sergeant Young was in penitentiary and that in making his statement he did not wait until he got that statement to tell the house what he thought about the horses.

Mr. Rowe: And Mr. Currie.

Mr. Drew: The fact is that what has happened is that the jockeys are in jail but the horses are still loose.

Mr. Garson: That is statesmanlike.

Mr. Drew: This may have appealed to many people because of its absurdity but it is the kind of thing which brings into sharp focus the nature of the irregularities which were occurring.

Mr. Garson: Typical tactics of the opposition—Hong Kong, Bren gun, North Star.

Mr. Drew: Mr. Speaker, since the Minister of Justice (Mr. Garson) is so interested in these proceedings, I should like to deal with certain activities of the government for which I assume he has accepted responsibility. A great deal has been said about the theft of a document. The Royal Canadian Mounted Police were used to conduct an inquiry. The Royal Canadian Mounted Police were directed to conduct an inquiry into what? Into anything affected by any federal law? No. The Minister of Justice makes that quite clear now. They conducted an inquiry and as a result the Minister of Justice has now advised that if anything is to follow it must be at the instance of Mr. Currie or the printing firm from which, according to him, this paper was removed.

Mr. Garson: I wonder if my hon. friend would identify the statement or material upon which he bases the last remark he has made.

Mr. Drew: Oh, Mr. Speaker, the *Hansard* record is adequate and I leave it at that.

Mr. Garson: Quote it then.

Mr. Rowe: He has been quoting it all afternoon to your shame.

Mr. Garson: If it is in *Hansard* and he is depending upon it, let him quote it.

Mr. Speaker: The Leader of the Opposition (Mr. Drew) is not required to answer questions. It is a matter entirely within his discretion.

Mr. Garson: On a question of privilege, I say that my hon. friend's statement is without foundation, and if he has the evidence he will cite it.

Mr. Drew: The authority for it is the long and evasive speech made in the house by the Minister of Justice on this very subject. Furthermore, there is the letter of the Minister of Justice to the Minister of National Defence (Mr. Claxton) which was placed on record, and so far as I know was a letter that actually did pass.

Mr. Rowe: Think that one over now.

Mr. Drew: I assume the minister signed that. Let us get this thing in perspective.

Some hon. Members: Hear, hear.

Mr. Drew: Let us get this in perspective so that those who obviously have been diverted from the real issue may bring their attention back to what is before us.

Mr. Garson: You are the person who has been doing the diverting.

Mr. Rowe: Your applause did not settle anything. Go ahead.

Mr. Drew: We have heard a great deal about the use of the Royal Canadian Mounted Police. We have heard the astonishing statement by the Minister of Justice that if it is appropriate for individuals to use private detectives it is quite proper for the government to use that great force for activities of this kind.

An hon. Member: Right.

Mr. Drew: The minister says "right".

Mr. Garson: No, no.

Mr. Rowe: Some other member of the government.

Mr. Drew: Another member of the government—

Mr. Fournier (Hull): No, no, not of the government.

Mr. Drew: Then, Mr. Speaker, what has just occurred indicates the desirability of those who have intelligent remarks to make getting on their feet to make them.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, order.

Mr. Drew: Mr. Speaker, the ribald laughter of members who support the government for one reason or another—

Mr. Garson: They have great justification.

Mr. Rowe: I would not laugh if I were on your side.

Mr. Drew: —indicates the attitude of the supporters of the government in regard to the serious situation disclosed in this report. I hope that right across Canada the people of this country will know that, while we are discussing the administration of a department that takes over $2 billion of their money from their pockets by taxation, supporters of

this government can find nothing better than laughter with which to greet the discussion of a subject as serious as that now before us.

An hon. Member: We were laughing at you.

Mr. Rowe: He laughs best who laughs last.

Mr. Fournier (Maisonneuve-Rosemont): Humbug.

Mr. Drew: I can just imagine the righteous indignation with which the Prime Minister would have demanded a retraction if that remark which has just been made had been made on this side of the house.

Mr. Fournier (Maisonneuve-Rosemont): Hold your horses.

Mr. Drew: One of the typical remarks made by a supporter of the government is "hold your horses".

Mr. Rowe: I wouldn't mention them again.

Mr. Drew: It is the job of this government to hold the horses, and they have made a very poor effort—they have made an extremely poor effort; and these horses are nothing more than an indication of the general incompetence for which apparently the government is not prepared to accept the responsibility which it should.

Some hon. Members: Hear, hear.

An hon. Member: Are those DeWitt Foster's horses?

Mr. Drew: I am speaking about the use of the Royal Canadian Mounted Police to conduct an inquiry. We already have had the term "theft" applied to this piece of paper. Now, what was actually taken? The government apparently does know now how it was taken, from whom and by whom. In that, it certainly has the advantage over most of the members of this house at this time.

What was taken? The working sheets, put in printed form, of what the man appointed by the government to make this inquiry proposed to present as his report. Was this an army operation order? Was this any secret government document relating to atomic secrets? Was this anything relating to the development of new weapons or anything of that kind? No.

An hon. Member: It was a new weapon for the Tory party.

Mr. Drew: It was the draft of findings in regard to matters which have been under discussion for over a year—as has been pointed out over and over again by the government in discussing this subject.

I have no knowledge of how that document became public, as has already been indicated. The government now has. I would imagine that the man appointed to conduct the inquiry would have some very serious objection to a document of that kind getting out of the printing shop; but what has actually happened as a result of that? All that has been lost is any pretence that this government permits reports to come before it without advance consideration. What has been disclosed by that chain of events, whether excusable or otherwise, is that this government tried to have substantial changes made in the Currie report and did not succeed.

Some hon. Members: Hear, hear.

Mr. Rowe: It got out too soon.

Mr. Drew: What has been demonstrated beyond all question is that Mr. Currie was asked to reconsider the report, that he did, and that the report we now have before us in its final form is a report which was subject to that double checking and bears that double responsibility.

These words that are before us are words which this highly regarded accountant, this distinguished soldier, this man who at great personal sacrifice had acted as deputy minister of national defence during the war as a public servant, checked and refused to have changed.

When the government expresses such synthetic indignation over the removal of this paper from the print shop, I think it would be appropriate that we receive information from the same source about what the government is doing in regard to another report that got loose recently. Has the government instructed the Royal Canadian Mounted Police to conduct an inquiry as to who got a copy, in advance, of the report of the commission inquiring into the prospects of the South Saskatchewan power and irrigation development? Certainly one report was just as confidential as the other—but there is a difference, remember. There is a difference. The report on the South Saskatchewan development was a report to the government, and if it got out here in Ottawa it got out from the government and not from a printing office in Montreal or in Regina or in Saskatoon. Perhaps the government in this case feels that as long as it is theft from the government it is a kind of selective theft to which there is no objection. But let us make no mistake about it: if one was reprehensible, the other was. If the removal of one paper was open to criticism and justified an inquiry by the Royal Canadian Mounted Police, so did the other.

Now, do not let anyone suggest that there was no criticism of the leak of information in that other report. Perhaps, as a matter

of fact, as a result of criticism, they may know the man that they describe as the thief in that case. As far back as five days ago the Minister of Agriculture (Mr. Gardiner) in Saskatchewan did criticize, and I quote his words, "unauthorized disclosure of confidential content".

Those are his words. Now, Mr. Speaker, one disclosure was no more important than the other. There is this difference, that it does appear that the disclosure of the contents of the first print of Mr. Currie's report was done without the knowledge of the government.

There is no evidence that that is so in the other case. We have become accustomed to well-informed disclosures in advance, which have the effect of softening up the impact of unfavourable communications of different kinds. At any rate, there is the situation. Here are two parallel cases. We have the information before us, from whatever source it came; and that information discloses a situation which cannot inspire confidence on the part of anyone as to the willingness of this government to accept an independent and frank criticism when that criticism is due for the conditions which exist.

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

An hon. Member: Sit down.

Mr. Croll: Will the hon. member not say that he said—and I read his words—

> I do point out that a question does arise as to how this copy came to be delivered to the hon. member for Rosetown-Biggar.

Did he not say that as reported at page 656 of *Hansard*? Did he not ask the government how this copy came to be delivered to the hon. member for Rosetown-Biggar?

Mr. Drew: Mr. Speaker, the *Hansard* record is quite clear, and I accept any statement in the *Hansard* record. That has nothing whatever to do with what I am now saying. I simply pointed out clearly—and if the hon. member had been listening and not reading at the moment he would have heard it—that there is no suggestion of approving the method. I do not know what the method was. The government may know. If it does, we hope that we shall have a clearer explanation than any that has yet been given. But what I am pointing out is that the net result of this disclosure has been to bring to the attention of the members of this house and the people of Canada the important fact that a strong effort was made by this government to prevent the delivery in its original terms of a report which gave to this country extremely important information.

Let me mention another matter dealt with in that report. It is under the subheading "Failure in Security". These are the words of the Currie report in that respect, as found at page 715 of *Hansard*:

> There was in addition a serious collapse in security. There was little to prevent or to detect the organized plundering of military stores on a systematic scale, though apparently comparatively little of it took place. If there is excuse for inefficient accounting, there is none for the failure of security which is, after all, a prime military consideration. I take a serious view of this breakdown. If it is easy to pilfer military stores, then, by the same token, it is easy to sabotage military equipment.

That is the most important single statement in this report. I refer to the statement that as a result of the breakdown in security, of the general inefficiency of this department in its supervision of army stores, there is the possibility not only of pilfering and looting but also of sabotage of military equipment.

We now come to the suggestion that this report which has been tabled be submitted to further inquiry, and that is the substance of the amendment which the government has introduced. Why is a further inquiry now needed into that part of the army activities already covered by the Currie report? Let us remember that, at the time Mr. Currie was appointed, the committee on defence expenditure was then meeting and could have dealt with this subject, as is now suggested. The government chose another course. The government decided that this was a subject that could be better dealt with by an independent inquiry carried out by Mr. Currie. On a number of occasions the defence expenditure committee was told that it could not explore certain subjects because of that fact.

Let us see what the government thinks about the reliability of this man whom they chose to conduct an alternative type of inquiry. At pages 1814 and 1815 of *Hansard* of May 2 of last year this statement was made on behalf of the government by the Minister of National Defence (Mr. Claxton) in regard to Mr. Currie:

> I announced the appointment of Mr. George S. Currie, a prominent chartered accountant and a man of outstanding integrity . . .
>
> Mr. Currie had been deputy minister of national defence. He had served with distinction in the first world war and we felt that no better man could be found to do this job if we searched the length and breadth of the country.

That was referring back to the statement made by the minister on behalf of the government on April 21, and emphasizing their complete confidence in Mr. Currie's ability and integrity. We now have the report by this extremely able man. What earthly purpose can there be in submitting this report

of one inquiry to another inquiry? This report and the report of the Auditor General make it clear that what we need in this case is not a further inquiry but action; and that what we need in the way of inquiry is a similar one to be conducted by Mr. Currie into the rest of the army and the whole of the navy and the air force with regard to organization and administration by the Department of National Defence.

We have been told by Mr. Currie that so lax were the methods used that there was an invitation to wrongdoing. That invitation has been extended by these lax methods right across Canada. Surely what all of us want to see is the removal of any possibility that these lax methods may continue. The best way that can be done is to have a complete and comprehensive inquiry into the whole of the Department of National Defence, as has been suggested.

Mr. Speaker, when the proposal is put forward that there be an inquiry of this kind, the most improper statement has been made that this proposal constitutes criticism of our armed forces. I cannot imagine anything less worthy of this government than the suggestion that an attempt to deal with this situation constitutes criticism of the armed forces. Every remark I have made is directed to the government. The one place where criticism should be directed is to the government itself for the conditions which existed and the invitation, as Mr. Currie states it, to wrongdoing, which has been created right across this country.

Mr. Cleaver: And not to the thieves.

Mr. Drew: Mr. Speaker, when interjections of this kind and suggestions such as those to which I have referred are made, I remind those who make them that the hon. member who spoke first was the hon. member for Nanaimo (Mr. Pearkes). When these statements are made about the criticism of the army and the danger of lowering morale I ask, is there any hon. member in this house who on second thought will suggest that the officer who has had the most experience of any officer in Canada, the man who has been awarded more decorations for valour than any other officer in Canada, the man who at his own expense has given such unlimited time to the advancement of the reserve forces, army, navy and air, is in fact criticizing the members of any of those forces when he makes such statements in this house as he did in this debate? What I have just said applies in various degrees to others who have spoken on this subject, whose record on the field of battle in the last war precludes any suggestion that they would in any way seek to attack our armed forces, or to minimize their effectiveness, or in any way interfere with their morale.

No, Mr. Speaker; the one danger to morale that lies in this report, or in the Auditor General's report, or in any of the other disclosures would be the knowledge in the minds of those now in uniform that nothing effective was going to be done to deal with these irregularities which have occurred.

Every day that elapses without that kind of action which indicates an acceptance of the kind of responsibility that should be shown does raise questions which could interfere with morale; and it is with that thought in mind that I and others in this house have urged that the government act without delay on the report now before it, and that they also conduct a wider complete inquiry into the whole organization and administration of the armed services.

I have already suggested, and I repeat the suggestion, that if the government really meant what it said when it expressed its confidence in Mr. Currie, that it seek to have Mr. Currie conduct that wider inquiry with the same independence and impartiality that he showed in conducting the inquiry of which we now have a report. Mr. Currie of course would be free to do that if this diversionary action, to use a term that we have heard, were not employed, and the device were not adopted of having an inquiry into a report of another inquirer.

Let us see what would happen even if for the first time we did receive the kind of report from this committee that we had hoped we might receive when we urged the setting up of such a committee. That report would come back to this house. It would have no effect except as a finding of fact, corresponding with Mr. Currie's finding of fact, until it had been brought to the attention of this house by a motion for its approval. Are we to have another inquiry into an inquiry into an inquiry? That is what this procedure suggests. No, Mr. Speaker; right at this moment young men in uniform are facing a dangerous and terrible enemy on the field of battle. Young men in the Royal Canadian Air Force in France and in Britain at this very time are manning the aircraft of the squadrons which are over there as part of the joint defence of our freedom.

In Germany young Canadians in the army are carrying the name of Canada on their shoulders in a manner which gives us justification for pride in the Canadian uniform wherever it may be. At sea and in many parts of the world young men and women are offering the highest form of service to their country, to their fellow Canadians, that

any citizen of this country could offer. And without trying to divert attention from the facts before us, they deserve assurance that there will be immediate action to remedy the situation which has been disclosed.

There are also the Canadian taxpayers, burdened down with the weight of the taxes they are now shouldering as part of their responsibilities as citizens of this country. When we have urged over and over again that steps be taken to reduce taxes and increase the efficiency of the administration of the departments, particularly of the Department of National Defence, we have been told that no savings could be made because nearly all the expenditure was for fixed obligations such as social services and for national defence. We have been left with the impression that the government thinks that national defence expenditure is sacrosanct. Any suggestion that there might be improvement in the methods adopted has been met by the improper suggestion on some occasions that we were urging that we reduce the defence forces of this country. No matter what other results there may be from the Currie report, there is this definite result. No person who has read the findings in that report can hope to have his statement taken seriously if he now contends that there is no waste, extravagance, or improper use of public funds. And even without the Currie report, the Auditor General's report makes it perfectly clear that there are things that can be done to bring about a more effective supervision of public spending in this country.

There have been strong statements on both sides. When the statement of the government was made, along with the introduction of the report on the 15th of December, immediately the suggestion was made that any criticism was to be taken by the government as being political criticism. When the carefully considered statement of the government was made two days later, on the evening of December 17, there in a fully prepared statement on behalf of the government we had the same implication conveyed to us and to the people of Canada. That was not welcomed by members of the opposition. Similar suggestions have not been welcomed since that time because they are wholly out of keeping with the responsibility of every member in the House of Commons. The government has not welcomed criticism from this side of the house. That is its right. It has given very rigorous and very noticeable evidence of its objection to some of the comments which have been made.

Let us accept that as part of the debate on a report which, doubtless, came as a surprise to every member in the house except those who had the special privilege of an earlier consideration of it. But let us accept the fact that, no matter what debate there has been, and no matter whether there has been objection on one side or on the other to things that have been said, we are dealing with the security of Canada, with the way in which young men and women will be permitted to defend this country in the uniforms they wear so proudly, and also with the assurance that the money paid out by our heavily-burdened taxpayers is being used in the best possible way for the defence of our native land.

These are the issues that are really before us. And it is in that light I hoped that at this time the government would reconsider its position, would depart from its rigid stand of defending the indefensible, and would depart from its diversionary activities in regard to the real core of the issue before us. I think I can safely speak on behalf of all members in the opposition in this instance, although without previous consultation with them, when I say I feel sure that hon. members in all parts of the house would applaud a decision by the government, if we received evidence of its determination to act effectively at this time.

We have before us a subamendment, which will be the first question upon which hon. members will be called upon to vote. Members of this party could have presented a subamendment in that form, but we did not do so because we hoped it would be possible to deal with the need for a wider inquiry, and at the same time do that without being called upon to accept, even in form, the proposition that the Currie report should be submitted to a further inquiry. However, as a result of the procedure adopted by the government we were denied that opportunity. And while I regret that it has become necessary for a subamendment to embrace, in form at any rate, the amendment of the government, I welcome the fact that, subsequent to the subamendment which we put forward and which was ruled out of order, another has been introduced which will call for a straight vote on the question of whether this inquiry is to be carried into the wider field of all the rest of the department, which has not been covered by the Currie report.

For that reason I am sure the subamendment will receive general support among members of the opposition. However, we are still in a position where something else might happen. In all earnestness I do urge the government between now and eight o'clock, when the debate will be resumed, to follow a course which will not impose upon

its own members any question of a vote of confidence, or any reflection by those who normally support that government on what it has done.

I urge the government, in all earnestness, and having due regard to the full significance of the disclosures made in this report, to state to the house that it will act upon the Currie report; that the defence expenditure committee will be free to carry out the work for which it was set up, and to deal with other subjects; and that there will be a full inquiry into all the rest of the defence services by Mr. Currie or someone equally competent to carry forward an inquiry of this nature.

That would bring us back to the position we were in last April, when the government indicated its desire to get at the facts and deal with them. May I anticipate only one answer to this suggestion. We have been told that already the government has taken action to deal with so many of these things that, for all practical purposes, the job has been done. Mr. Speaker, if that were so there would be no need for the Currie report to go before this committee. If the government really believes that everything has been done that should be done under this report, then the only purpose in referring the Currie report to that committee is to try to cast reflections upon the accuracy of the report.

I hope that is not their purpose, because that would stultify the effectiveness of the committee and would drag out proceedings which, at this important time, could be directed to very important subjects which would come properly before the committee. I refer again to the statement by Mr. Currie that the chaotic conditions of the accounting methods are such that no one knows what the losses really were, and represent those of only one camp, amounting in value to perhaps 3 per cent of the total value of all the property of the Department of National Defence. The report does demonstrate the need for a wider and similarly complete inquiry. I hope we will have it.

Mr. Claxton: Mr. Speaker, may I call it five o'clock?

Mr. Deputy Speaker: The house will now consider business connected with private and public bills.

BRITISH NORTH AMERICA ACT

AMENDMENT TO INCREASE QUORUM OF HOUSE OF COMMONS

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 18, to amend the British North America Acts, 1867 to 1952, with respect to the quorum of the House of Commons.

He said: Mr. Speaker, this bill is one which concerns us, and I hope it will be considered by members of this House of Commons as a matter which should receive our serious and earnest attention. The proposal contained in the bill is that we make a slight increase in the quorum required for the transaction of business in the House of Commons. As hon. members know, at the present time the quorum is 20 members, as set out in section 48 of the British North America Act, which reads:

> The presence of at least twenty members of the House of Commons shall be necessary to constitute a meeting of the house for the exercise of its powers; and for that purpose the Speaker shall be reckoned as a member.

As has been indicated in the explanatory notes to the printed copy of the bill, this figure of 20 members was decided upon back in 1867 when the membership of the House of Commons was set at 181. For my part I think that that was a very small quorum to propose for a house of 181 members. Nevertheless, in suggesting that the quorum should be increased I have felt that it might be difficult to persuade some hon. members that we go beyond the proportion that was fixed at that time.

The figure of 30 members as a quorum which my bill suggests was arrived at by the process of simple arithmetic. As hon. members know, the membership in this House of Commons is now 262. By reason of the amendment to the British North America Act passed last year respecting representation in the House of Commons, and the Representation Act of 1952, the terms of which were based on the amendment to the constitution to which I have just referred, we will have 265 members in the House of Commons that will meet following the forthcoming election. If 20 members were considered to be a quorum when the membership of the house was 181, simple arithmetic makes it clear that in the light of our larger membership the quorum would be 29 and a fraction. I have suggested the nearest round figure of 30. All that this bill proposes is that we change the quorum for the transaction of business in the House of Commons from 20 to 30 members.

This is the first occasion on which this bill has come before the house for consideration, but it is not the first occasion on which it has been on the order paper. As a result of it having been on the order paper on previous occasions, I have had comments made to me about it and I have noted comments in the press. The only serious criticism that has been made, a criticism which I readily accept, is that the figure of 30 seems too low.

House of Commons Quorum

The so-called man on the street, to whom we often refer, is really shocked when he learns that our present quorum is only 20. At times I have asked unsuspecting people who do not know our rules what they supposed was the quorum in the House of Commons. Many times the answer has been, "I suppose a bare majority." Others have suggested 100, and the lowest figure I have ever had suggested to me by an unsuspecting person was the figure of 50. Yet here we are with a quorum of only 20.

Some of those who have commented on my bill are amazed that I have not proposed an even larger figure than 30. I want to make it clear that for my part I would like to see a much larger quorum. I think it only proper that for the transaction of this nation's business there should be required to be in attendance a much larger proportion of the membership of this House of Commons.

However, knowing the tendency that exists to be guided by precedent and tradition, for the purposes of this bill I am prepared to go along with the proportion established by the fathers of confederation. It is in that spirit that I have arrived at the figure of 30. I earnestly hope that the house will consider favourably this bill and will support the view that our responsibilities are such that there should be a few more of us here for the transaction of business than the minimum figure of 20.

Not only have I discussed this matter with people outside the house; not only have I noticed comments in the press on it. There have been some comments on this matter made to me by other members of the house. The difficulty raised by some who have spoken to me is whether or not it would always be possible to get as many as 30 members in the house, particularly at a time when committees were meeting. No one can deny the fact that when several important committees are meeting it might seem to be difficult to get a quorum in all the committees and also have an adequate attendance in the house at the same time. I admit that that seems to be difficult, but I submit most seriously that it should not be.

As hon. members know, the facilities in this building in the way of rooms available for the holding of committee meetings are much more limited than one would think when he looks at the amazing size of this building itself. Hon members know that we cannot hold more than four or five committee meetings at one and the same time. Committees vary in size, but even if we take the outside figure as an average of the normal committee meeting and assume that we have five committees going on at the same time with 30 members in each committee, that makes only a total of 150 members, leaving 112 members available for attendance in the House of Commons.

Mr. MacDougall: Provided they are here.

Mr. Knowles: The hon. member says, "provided they are here." Are we not supposed to be here? Is not that the whole point? I recognize that that comment is made by a member from British Columbia, and that members from the more distant parts are more likely to be here pretty regularly. At any rate the interjection indicates the whole point of the argument I have just laid before the house, namely, that we are supposed to be here.

I submit that the figures I gave a moment ago concerning attendance in committees was much larger than is actually the case. I doubt if there has ever been an occasion when 150 members of this house have been in committee meetings outside of the chamber at one and the same time. But even if that were the case, it would still leave 112 members; therefore I suggest that there should not be any difficulty getting a quorum of 30, indeed a quorum of 50 or even 100 if that were the proposition.

Mr. Macdonnell (Greenwood): Will the hon. member permit a question?

Mr. Knowles: Gladly.

Mr. Macdonnell (Greenwood): I think I heard the whole of what the hon. member said. Did he give us the quorums required in other jurisdictions, for instance at Washington or London? I think it would be interesting if those figures could be available.

Mr. Knowles: No, I did not give those figures. As a matter of fact, I am a little surprised that this matter came up today and I may say frankly that I have not looked them up. I am basing my whole argument on what would seem to be reasonable and responsible on our own part. I agree with the hon. member that the other figures would be interesting, and perhaps they can be ascertained and brought to bear upon the question. But whatever those figures are, even if they are smaller in proportion, I submit that we owe it to the country we serve by the duties that we perform here to require of ourselves a higher rate of attendance in the house than is required by section 48 of the British North America Act as it now stands. I repeat what I started out by saying, namely, that my bill does not ask for these much higher quorum figures to which I have referred. My bill asks for only 30, which is simply maintaining the proportion established by the fathers of confederation in 1867.

There are other aspects of the whole question of attendance that might be gone into. I have been known to take cracks, shall I say, at a certain institution that meets at the other end of this building; but so far as the question of attendance is concerned may I say that I note with interest and approval that in the other place a daily record is kept of the attendance of Their Honours, the members of the Senate. We have no such record here. There are times when we would not need a record. During the last week or so the interest in the subject that has been under discussion has been such that we have had excellent attendance in the house and in the galleries as well. But it is our responsibility to give serious and responsible attention to the business of the country whether or not it is a matter of great, dramatic and spectacular interest.

For that reason I press upon the house the serious consideration of this matter. I ask hon. members to face the fact that the change suggested in the bill is ever so slight. As a matter of fact it can be argued that it does not introduce any change at all. It merely says that we agree to maintain as a quorum the same proportion of our total membership that was agreed upon by the fathers of confederation in 1867. Despite the fact that I am not a lawyer—and one can always be corrected on these interpretations—I would point out that the wording of section 48 in the original British North America Act does not, in my view, say that the quorum can be no higher than 20. It merely says that there must be at least 20 members, and I have often taken the view that it would have been within the right of parliament, even before we had the right to amend the British North America Act, to fix a higher figure. In other words I am wondering if the fathers of confederation expected that 20 would remain as the figure. I wonder if they did not leave it to the House of Commons itself to make that figure a little higher if the house wished to do so. At any rate, we have not done so in all the years from 1867 until the present. Despite the increases that have taken place in the membership, the quorum has remained at that same terribly low figure of 20 members. Now that the matter has been put before the house in a formal way I hope we will correct the situation.

There is one other aspect about the bill which I might take the liberty of calling to the attention of the house, merely because I am sure it is of interest to many hon. members. This bill, like the one last year that changed the rules regarding redistribution, involves an amendment to the British North America Act. The bill with respect to redistribution, which was piloted through the house last year in the name of the Minister of Citizenship and Immigration (Mr. Harris), I believe, was the first bill to amend the British North America Act, the constitution of this country, on the basis of legislation passed by this parliament and by this parliament alone. The bill now before us might be referred to as the first private member's bill amending the British North America Act since we obtained for ourselves in 1949 the right to amend that act in Canada in respect of matters exclusively federal.

This bill is drawn in exactly the same form as the bill introduced last year by the Minister of Citizenship and Immigration, at least in so far as its being a bill that amends the British North America Act is concerned. For my part I have been interested in this question, and have had the opportunity of discussing it with a number of authorities in the constitutional field. One question that used to concern me about this whole matter was a purely technical one. How was it possible for us in the parliament of Canada, even after the amendment of the British North America Act was passed which gave us the right to amend our own constitution, to amend what in effect seemed to be a statute of another country, namely the British North America Act passed originally in the parliament of the United Kingdom in 1867?

The opinion that was expressed to us on that point last year in the redistribution committee is, I think, perhaps novel but also interesting and rather conclusive. It was that the British North America Act of 1867 was, in purely legal and technical terms, an enactment of the crown which was passed with the advice and consent of the parliament of the United Kingdom. All we are doing when we amend that act in Canada is arranging for the crown to amend the same act which the crown originally enacted, the only difference being that in the meantime there has been a change as to who advises the crown with respect to this act, and in this instance it would be the parliament of Canada advising the crown rather than the parliament of the United Kingdom.

I think it is fair to say that, until the Minister of Citizenship and Immigration brought in his bill last year respecting redistribution, there were different patterns that might have been followed in amending our own constitution by decision of this parliament, and that any one of two or three different patterns might have been justified. I think it is also fair to say that, once a pattern has been established, there being plenty of lawyers around

this place, the tendency will be to say that that is the correct pattern and that is the pattern to follow henceforth.

In any case the bill follows that pattern so far as its technique is concerned. It is a bill of the parliament of Canada amending what is known as our constitution, the British North America Act. We have the right to advise the crown to enact legislation in this form by virtue of the amendment to the British North America Act of 1949 which gave the parliament of Canada the power to amend its own constitution with respect to matters that are exclusively federal. The issue in the bill is obviously a matter exclusively federal. It is even narrower than that; it is a matter that concerns us right here in the House of Commons. Therefore I think there can be no doubt as to our right to deal with the subject matter of the bill.

I also feel, as I have already said, that there is surely no doubt as to the simplicity of the request, as to the fact that it is a very minor change that is being requested. It merely proposes that we maintain the same proportion that was established in 1867.

I hope this will not be looked upon as a bill coming from any one party in the house, but rather as a bill presented to the rest of the members by one member who is interested in these things, and that it will be given very serious consideration in all parts of this house.

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, I appreciate what my hon. friend has said about the constitutional aspects of this bill. Having, as he has said, sponsored a bill last session which did amend the British North America Act, I am obliged to say that I think the method followed at that time would be a proper one, and that this probably does fall into the same form.

Like my hon. friend, I was rather surprised that we reached this bill at this stage, because I expected there would probably be debates on the earlier bills this afternoon. It was with that in mind that notice was given today by the Prime Minister (Mr. St. Laurent) of the setting up of the committee on house procedure. That has been placed with the officials of the house and, had this bill been reached on Thursday or Friday, I should have moved an amendment to the motion for second reading to refer the subject matter of this bill to the committee which, presumably, at that time would have been established.

I do propose to follow that procedure when the time comes. Unfortunately I did not have an opportunity to discuss with my hon. friend his preference in this respect. I take it that the motion which I had proposed to make, that the subject matter of this bill be referred to that committee, cannot now be made because the committee does not exist, although notice of it has been given. Therefore I propose to move adjournment of the debate, and on the next occasion when we reach this item I will move that the subject matter be sent to the committee on house procedure, there to be discussed and reported on as that committee thinks advisable.

Mr. Knowles: May I just say that the procedure suggested by the Minister of Citizenship and Immigration (Mr. Harris) seems to me to be quite acceptable. The only question which arises is whether or not any other members of the house care to make any comment on the matter before it is referred to that committee. I am not saying that there are any who do. The other members might be quite satisfied. For my own part I have no objection to the procedure the minister proposes to follow, at one stage or another.

Mr. J. M. Macdonnell (Greenwood): May I just add a word. The hon. member for Winnipeg North Centre (Mr. Knowles) is often very persuasive. Sometimes I feel that I have to be on my guard against him. Today I must say that he was prima facie persuasive to me, but since I asked him the question I have been informed that the quorum in the British house is 40. That does give me a feeling that this matter perhaps is not quite as clear as it otherwise might be.

The hon. member for Winnipeg North Centre said that his proposal was to maintain the same percentage of membership that was originally laid down, and that seemed to me to go a long way toward answering the question. But circumstances have changed; for all I know there may be more committees that sit now. In any event, I am glad this is going to be considered by the committee as suggested by the minister.

Mr. Harris: I might complete what I was about to say. It would be the intention of the committee, I would hope, to consider this bill; and if any other member wishes to add his views at this moment I assure you, Mr. Speaker, that I have no desire to intervene. I waited until everyone else had had an opportunity to rise. I shall sit down and ask one of my colleagues to move the adjournment of the debate after everyone else has had an opportunity to get up, if he so desires, and make a speech.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the proposition the hon. member for Winnipeg North Centre (Mr. Knowles) has put forward, if it stands simply on the basis of carrying forward to the present time the proportion that was established in 1867 which the quorum of the house should bear to the total membership of the house, seems to have much to commend it to reasonable people. However, there is another aspect of the matter which all hon. members must bear in mind.

The proposal just put forward now on behalf of the government by the Minister of Citizenship and Immigration (Mr. Harris) I think is one that will meet with general approval in this house. This is a matter that may very well be considered in relation to the other matters that will, I take it, in due course be referred to the committee on rules for consideration. But whether the matter is dealt with conclusively here or whether it is deliberated on by the committee on rules, there will be no escape from one consideration.

When the fathers of confederation agreed upon their proposals for the formation of a nation on this northern half of the continent, they did not leave it to the parliament, nor to the House of Commons, to establish the quorum of the house. This matter was never viewed hitherto as a matter of concern simply to the House of Commons. That is not the way the fathers of confederation drafted the structure of confederation in this respect. They made it a provision of the British North America Act that the quorum should be fixed as set forth in section 48 of the act.

It might impress many hon. members that this is after all a relatively simple matter. You just change one figure, one word in the British North America Act. Well, Mr. Speaker, it is quite true that the amendment that is under discussion now does not do more than that in form. It simply changes the word "twenty" in section 48 of the British North America Act to "thirty". But before we can do that, Mr. Speaker, we must have due regard for some of the implications of the step we are taking.

The views which we of the Progressive Conservative party hold in regard to the subject of amendment of the British North America Act have been set forth on previous occasions, the last of which was the debate on the redistribution bill on June 12, 1952. While the matter before us now looks to be so simple, it nevertheless presents the same problems, Mr. Speaker, as to the right of parliament to proceed to amend the British North America Act without consultation with anyone.

The fact that this problem arises again in a situation where the amendment proposed is in form so simple I think serves to emphasize once more, Mr. Speaker, the fact that the country needs today the legislative adoption of a proper formula for amendment within Canada of the British North America Act. That in turn requires the resumption, at as early a date as possible, of the conference which was called some three years ago—the dominion-provincial conference—with a view to working out by agreement some formula for amending the British North America Act within Canada.

It will be recalled by hon. members that when the provinces were asked to indicate their views on the method by which the act should be amended in various respects, there was quite a variety of answers. In view of the fact that this particular bill has been called unexpectedly today, Mr. Speaker, I have not had an opportunity to review the recommendations made by the provincial governments at that time with reference to the amendment of this particular section of the act. It may well be that many of the provinces at that time indicated they had no objection to parliament taking unto itself the right to amend this section simply by act of parliament. But I am not prepared to assume that with reference to all the provinces, because the views expressed by some of the provinces were quite strong as to the necessity for working out a general formula for amendment on the basis of that formula being satisfactory to all provinces, although the formula itself would make provision for the amendment of various provisions in the British North America Act, under varying terms. In some cases it would be by consent of a majority of the provinces, in other cases by varying proportions, leading up, in the case of some provisions of the British North America Act, to the requirement that the particular provision of the act should not be amended without the consent of all the provinces.

Surely what is required, not simply in relation to this particular matter but in relation to the whole question of the constitutional position of Canada, is that there should be a prompt resumption of that dominion-provincial conference. This particular section 48 is by no means the only section of the British North America Act that is crying aloud today for some legislative consideration. In the British North America Act today, as the fundamental law of Canada, we have provisions that are quite outworn; and the continued existence of those provisions, Mr. Speaker, stresses the necessity for a dominion-provincial conference with a view to changing them.

May I remind you, Mr. Speaker, that we still have provisions like this in the British North America Act—

Mr. Deputy Speaker: Order. The hon. member has been trying to stress the point that a dominion-provincial conference should be resumed for the purpose of studying not only this matter of a quorum but perhaps others. It seems to me that he has perhaps spent long enough on that part of his argument. If he wants to speak to the principle of this bill and to make his remarks relevant to it, I do not think he should embark upon a suggestion that there are other points in the constitution which deserve further consideration by a conference such as the one to which he has referred.

Mr. Fleming: Mr. Speaker, the point I was making—and I did not intend to elaborate on it at length—was that this bill, as do many other circumstances, points to the necessity for the resumption of that dominion-provincial conference. What I was about to do when you rose, Mr. Speaker, was to recall to the minds of hon. members that in sections like 55, 56 and 57 we have, in this fundamental written law of the constitution today, provisions that are completely outworn and that emphasize the necessity for our trying to bring the constitution up to date by the only method by which, in my submission, it can be brought up to date, namely by working out an amending formula that will be acceptable to the provinces.

This consideration, Mr. Speaker, is one that must be borne in mind, in my submission, even though this bill at a later point in this session may be referred to the house committee on rules. Had the fathers of confederation regarded this matter of the quorum of the house as simply a matter of the internal organization of the house, then this provision contained in section 48 would not have found its way into the act. It would have been left to the house to establish its own quorum. It may be that there are many today who, if this question were approached *de novo*, would take the position that it should be left to the house. But that is not the position in which we find ourselves.

As a result of the amendment of the British North America Act that was adopted in 1949—an unwise form of amendment of the British North America Act, in my submission, in the ill-considered formula that it contained for carrying out amendments of the British North America Act—the position in which we find ourselves at the moment simply means this. Because this provision is in the British North America Act and the government says that it is a federal matter, then this result follows: if it is in the act, you simply proceed by a bill, give it three readings, and change it just as you wish. If it were a rule of the house, presumably the house would simply change it by resolution providing for an amendment of the rules of the house. That is the only difference left. We in this part of the house do not think that the constitution of this country, the fundamental written law of Canada, should be equated simply with a rule of this house.

No matter how simple this matter may be in form, it has implications of great importance. Because of the fact that the federal government has not made any move to call for a resumption of the dominion-provincial conference, one province—Quebec—has recently found it necessary to propose the appointment of a royal commission to review the whole question of federal-provincial relations. In the face of situations like that, surely the need for the resumption of that dominion-provincial conference on the British North America Act and methods of amending it is imperative today.

Mr. Deputy Speaker: Order. I think the hon. member has made it quite clear that he is opposed to this method of bringing about an amendment to the constitution. If he wishes to speak to the principle of this bill, he should confine himself to the suggestion contained in the amendment, which in effect provides for amending our rules with respect to a quorum by inserting the word "thirty" instead of "twenty". I should like to hear him on that point.

Mr. Fleming: With great respect, Mr. Speaker, may I say you have stated that this may involve the amendment of the rules of the house. The very point I am seeking to argue at the moment is that what is involved in this bill is an amendment of the British North America Act. The legislative position created by an unwise amendment of the British North America Act by the parliament at Westminster in 1949, at the instance of this parliament, makes this provision of the British North America Act mean little more than just a rule of the house. It can be changed in practically the same way that we can amend any rule of the house. It seems to me that is one of the implications of this present bill that ought to be laid before this house and ought to be considered by this house with the utmost seriousness.

As to the form of the amendment, I wish to make it clear that I am expressing no objection in principle to an increase in the quorum of the house. Just on the basis of mathematics alone I think there may be a good deal to be said—as was stated by the hon. member for Winnipeg North Centre (Mr. Knowles) in introducing this bill—for

increasing the quorum so that the fraction it represents of the total membership today may bear a reasonable relation to the fraction that was established in 1867. But the way to deal with this matter is not, in my submission, to treat it simply as a matter in which parliament has a perfectly free hand to proceed without consultation. There are implications here that go much farther and they are implications which, in my submission, are not going to be disposed of merely by referring the matter to the rules committee. I would not oppose that course for consideration of the matter but, Mr. Speaker, that will not end the problems that are presented by this bill. There will still be the fundamental problem that here you are dealing with a provision in the fundamental written constitution of this country.

What is so badly needed today is to avoid a piecemeal approach to this question. What is needed is not an approach that is going to make it more difficult to have that form of constitutional amendment which is required but which will instead make provision for a formula for dealing with all amendments that may be sought by the Canadian people. What is required here is due acknowledgment of the fact that the British North America Act is a fundamental constitutional document, and that in making changes in that fundamental constitutional document more should be required than simply a decision from time to time in this house or in the other place.

I urge, Mr. Speaker, that the only way out of the problem that has been created by an unwise amendment of the British North America Act in 1949 is the one I have proposed, namely that this and other matters requiring consideration in reference to needed amendments of the British North America Act should be the subject matter of consideration in an immediate resumption of the dominion-provincial conference on amendment of the British North America Act.

Mr. Solon E. Low (Peace River): I feel that I should say just a word about the bill that has been introduced by the hon. member for Winnipeg North Centre. I think its provisions are reasonable. I would favour increasing the quorum to 30 because I think that does appear to keep the proportion the same as 20 was to begin with, when we had only 181 members in the house.

Because it is reasonable, and also because it does not appear to be a very important matter for constitutional reconsideration, I would hardly suggest that we hold up the bill until such time as a new formula for amending the constitution has been adopted; although I must say, Mr. Speaker, that I certainly feel sympathetic to the views of the hon. member for Eglinton (Mr. Fleming). We do need at the earliest possible time a formula for constitutional amendments. But the fact is that in 1949, if I remember correctly, this sort of thing was entrenched solely within the powers of the federal government. And since it does not affect the provinces in any way, since it affects nothing but the conduct of the affairs of this house, it would seem to me, Mr. Speaker, to be completely within our competence; and I would suggest that the procedure that was proposed by the minister be followed, namely that it be presented to the committee. Therefore I favour second reading of the bill.

On motion of Mr. McIlraith the debate was adjourned.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-1948—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

The house resumed, from Tuesday, January 13, consideration of the motion of Mr. Knowles for the second reading of Bill No. 2, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): When I adjourned the debate last Tuesday I was examining certain views that had been expressed in a previous debate by some of the main supporters of the amendment which is now before the house. I had occasion more particularly to refer to the debate on the Maintenance of Railway Operation Act of 1950, and to the remarks of both the leader of my hon. friend, the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Vancouver East (Mr. MacInnis). I also referred to statements made by the hon. member for Spadina (Mr. Croll), and at the time of the adjournment I still had one or two statements by the hon. member for Spadina that I wished to put on the record.

All those quotations which I have offered for the consideration of the house were intended at that time—and I use them in this debate for the same purpose—to indicate how important it is for the welfare of the Canadian worker and for the peaceful development of our industry as a whole that the utmost freedom should be left to collective bargaining between the two partners in industry.

During the debate on the Maintenance of Railway Operation Act of two years ago, the

hon. member for Spadina placed a great deal of importance on this basic principle of free collective bargaining in industry. I have quoted a few sentences from his remarks in this regard, and I wish to add this one which will be found on page 41 of *Hansard* for the fall session of 1950:

> I believe that compulsory arbitration means the death of collective bargaining. It is all very well to say that we shall apply this principle only in this case, but we have done damage to a fundamental principle of freedom.

In my several participations in debates on this matter of the voluntary revocable check-off, I have always sustained that particular point. Should this bill be passed and the Industrial Relations and Disputes Investigation Act be amended to make it compulsory to have the voluntary revocable check-off, we would, using the words of the hon. member for Spadina, be doing damage to a fundamental principle of freedom.

I should like to quote from the speech that the mover of this amendment made in the same debate in the fall of 1950, and which I submit is most relevant to the point. It will be found at page 41 of *Hansard* of that session:

> I share the view that has just been expressed by the hon. member for Spadina, and which was also put forward by my leader and by the member for Vancouver East, that it is in the public interest also, indeed that it is of primary importance, that there be no interference with the principle of free collective bargaining.

The hon. member for Cape Breton South (Mr. Gillis) also participated in that debate and expounded his views on the basic principle of industrial relations in this country and on free collective bargaining. He had this to say, as reported at page 48 of *Hansard*:

> I am convinced that you cannot write a trade-union agreement on the floor of the House of Commons. The former minister of labour made that statement many times and I agreed; you cannot do it.
>
> We are setting a precedent that will be taken as a pattern by industry in this country if and when the bargaining gets a little tough. The simple and easy thing to do then will be to break off, throw the matter into the lap of the government and have a bill passed.

On page 49 the hon. member had this to say:

> I believe we did a good job of writing a national labour code, but do not forget that this bill automatically wipes out many provisions of that code as it applies to this dispute.

The hon. member for York West (Mr. Adamson) also participated in the debate, and made an interesting contribution which I should like to place on record, when he said:

> I object as strenuously as does any other member of this house to compulsion of any sort in labour-management disputes or in anything that has to do with collective bargaining.

[Mr. Cote (Verdun-La Salle).]

While I cannot recall definitely the stand taken by the hon. member for York West on measures of this kind when they were presented to the house in years past, I wish to stress that all the other hon. members to whom I have referred have approved the principle of this amending bill, and by so doing have taken a position which is in direct conflict with the statements made by them during the debate on the Maintenance of Railway Operation Act in 1950.

If on the one hand parliament should preserve by all possible means the freedom of action of both management and labour when they get together and attempt in good faith to reach common agreement, then the amending bill proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) becomes quite objectionable. It may not mean very much in itself, because what it proposes to introduce is, after all, only the slightest possible measure of union security, described in the amending bill as the voluntary revocable check-off. But once the principle is applied of interference by parliament in matters which have thus far been left with labour and management to discuss, and upon which they can surely agree, there will be no limit to the powers of parliament in future years for further interference, in circumstances which might be much more important than those surrounding the voluntary revocable check-off.

While I have not the exact reference before me, I do recollect that on one occasion in the past, when the hon. member for Vancouver East (Mr. MacInnis) was discussing a similar bill, I asked him if the bill were passed whether he and his party would be satisfied to leave it at that, and give a guarantee that it would not be considered as a precedent; that they would not come here year after year asking for more and more interference by parliament in matters of collective bargaining. He said, "No, that is not the end; that is just the beginning". I can vouch for his reply on that occasion. So, that means a policy of opening the door wider and wider as the years go by, and some day bringing parliament to a position of dictating by statute what the wages, hours of work and conditions of work will be in any plant or industry coming under the jurisdiction of parliament.

Mr. Knowles: Does the parliamentary assistant believe that to be a fair interpretation of what the hon. member for Vancouver East said on that occasion? I remember it very well, too.

Mr. Cote (Verdun-La Salle): I am referring to the answer made by the hon. member to a question I put to him at that time.

Mr. Knowles: I remember it.

Mr. Cote (Verdun-La Salle): Unfortunately I did not expect this bill would be reached this afternoon, with the result that I have not with me certain papers which, otherwise, I would have had. I can assure the hon. member for Winnipeg North Centre, however, that I can produce the reference. At that time I asked the hon. member for Vancouver East if, in the event of the acceptance of the bill we were then studying, that would be the end of interference by the state in matters of collective bargaining—

Mr. Knowles: And his reply was, "We believe in further progress."

Mr. Cote (Verdun-La Salle): ". . . that further progress should be made, further amendments should be brought, and so on". His reply was brief. In what I have said I am sure I have not gone beyond the meaning of the reply he made at that time. If I have gone too far in my interpretation, then in due time I shall be ready to apologize. I feel sure, however, that I am placing the proper interpretation upon the statement made by the hon. member for Vancouver East at that time.

I have quoted several statements from the late Hon. Humphrey Mitchell, but, after having placed on record the observations of those who have supported bills of this kind in the past, I should like to quote one further sentence from the late Mr. Mitchell, so that hon. members may compare his views with those which the supporters of this bill have expressed on another occasion. This is what Mr. Mitchell said:

> Legislation of this nature will fail in its fundamental objective if it introduces features of a coercive character which only result in driving employers and employees further apart. That would make it more difficult for them to establish those friendly relations of good will and co-operation which are so necessary.

Some hon. Members: Six o'clock.

On motion of Mr. Cote (Verdun-La Salle) the debate was adjourned.

Mr. Deputy Speaker: The hour for private and public bills having expired, at eight o'clock the house will resume the business interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed consideration of the motion of Mr. St. Laurent for the appointment of a committee to examine defence expenditures and commitments, and the amendment thereto of Mr. Claxton, and the amendment to the amendment of Mr. Knowles.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, on a question of privilege, I desire to supplement a statement I made this afternoon, which was as follows:

> The remissions branch comes under the Department of Justice and certainly no application for parole has come to my attention.

The reference here is to an application for parole by or on behalf of Sergeant Young. I wish to confirm now that this statement of mine is entirely correct. When later the hon. Leader of the Opposition (Mr. Drew) repeated that Sergeant Young is seeking a parole, I took advantage of the dinner recess to check with officials of the remissions branch concerning this matter. They inform me that Mr. J. A. Maloney as counsel for Sergeant Young has made an application for parole which in due course will be laid before the minister for consideration as soon as the usual reports have been obtained in relation to it.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has referred in this debate to red herrings. I would not be surprised if he is beginning to try to forget their paternity. I am not going to devote much time to the red herrings which he brought into the house for the first time on December 15 and which, because they are now beginning to smell, he is trying to lay on the doorstep of the government. But there are three points I should like to make in connection with the hon. member's red herrings.

The first is: How did he get the draft report? The hon. member for Winnipeg North Centre took part in the broadcast "Press Conference" last night from Ottawa in the course of which one member of the press asked him:

> Now, if it was not a stolen document, what was it?

The hon. member for Winnipeg North Centre replied:

> Well, it was a document that had come into our possession. We did not know the ultimate source of it, but we were ready to believe that the person who sent it to us was concerned over the fact that changes were being made and he seemed most anxious that the matter might be raised in public.

You will all recall that the only report, the signed report, was tabled on December 15. The Minister of Justice (Mr. Garson) wrote me a letter on January 17 reporting on the investigation by the police which showed that a copy of the draft stolen from the print shop had been stolen between November 25 and November 29. How did the

person who had stolen the report between November 25 and November 29 know there were changes in the report as tabled on December 15?

Then according to a statement by the hon. member for Winnipeg North Centre, reported in the Montreal *Gazette* of this morning, the draft came into the possession of his leader only—and I quote—"a few days before December 15". How did the person who delivered the stolen copy, if he was different, as the hon. member has said, from the person who took it—how he would know that precisely, I do not know—how would the person who delivered the stolen copy of the draft to the C.C.F. know that changes were being made when that could only be ascertained by a comparison of the two copies on December 15?

My second point is that the hon. member seems to be trying to excuse his conduct by pretending that the course of events has revealed that I brought pressure to bear on Mr. Currie. Hon. members opposite cannot have it both ways, as I pointed out the other day to the hon. member for Lake Centre (Mr. Diefenbaker). Either they have confidence in Mr. Currie as being a competent person, who therefore will not accept pressure—

An hon. Member: Haven't you?

Mr. Claxton: —or else they have not. I have, indeed. That is why I say he is not the kind of person who can be subjected to pressure and that if any change was made in the draft in consequence of suggestions made to him by the deputy minister of national defence, he adopted those changes because he believed they brought his report more closely to the truth and more in accordance with the facts.

The hon. member then said—this is the third and final point to which I shall refer—that my letter to his leader dated January 10 implied a threat. This letter, which appears in an appendix to *Hansard*, was sent as a courtesy to his leader and for no other reason. There was no reason why I should tell the hon. member for Rosetown-Biggar (Mr. Coldwell), for whom I have high regard as I have for other hon. members, that the R.C.M.P. were being instructed to look into this matter. There was no reason to inform him except as a courtesy because the hon. member for Winnipeg North Centre had indicated that the hon. member for Rosetown-Biggar had received this report.

Having received the report, as indicated by the hon. member for Winnipeg North Centre, it seemed to me that had I not told the hon. member for Rosetown-Biggar that the R.C.M.P. were being instructed to investigate the matter I would have been charged at once with gross discourtesy to the hon. member for Rosetown-Biggar.

Now, we asked Mr. Currie to make a report. It was indicated in the house on December 15 that a draft of that report dated November 26 had come into unauthorized hands. On my return I wrote Mr. Currie and asked him for an explanation. After two previous letters he wrote me and said in the letter dated January 7, 1953, which appears at page 977 of *Hansard*:

> Everything which I have done by way of inquiry and investigation negatives the possibility that the copy in question could have got out in any stage or step between the printer's shop and my own organization and the department; but I still, of course, welcome any further investigation which the department or any other authority may deem it expedient to make from any angle or direction.

Until this mystery was cleared up, Mr. Speaker, the officers of the Department of National Defence, Mr. Currie and the members of his firm and the printing company and its employees would all remain subject to the shadow of the suspicion that they had acted improperly with a document intended to be delivered to a member of the government in accordance with a request for a report. They all would have remained subject to that suspicion and to the further suspicion of dealing with a document which was to become a public document, and which should have been dealt with by a professional man and by a printing establishment in a way which should ensure security.

It seemed to us—and here I can tell the house that I consulted my colleague the Minister of Justice (Mr. Garson)—that this was a case where the public interest was engaged, where it was desirable in the interests of finding out the truth, of getting to the bottom of the mystery and of putting the blame where it belonged, that we should continue the inquiry, particularly since Mr. Currie said in his letter that he would welcome its continuation. Accordingly I sent a letter dated January 8 to the hon. member for Rosetown-Biggar (Mr. Coldwell), but because I knew he was in hospital I communicated first with his secretary and asked whether it should be sent to the hospital or to the secretary. The hon. member was in the hospital, though expected to be out in a day or two. The secretary took it to him and I received a very courteous and prompt reply.

In these circumstances I do not think we have anything further to explain or say about this matter. But with one statement of the hon. member for Winnipeg North

Centre I will emphatically agree, namely when he says that he has felt all along that the important question is what Mr. Currie dealt with in his real report. I have followed this debate closely and carefully. I had to be absent one day through illness but I read what took place, and I think I can say not with immodesty but with accuracy that so far in this debate since introducing the discussion a week ago today, I am the only member who has dealt at all with parts II, III and IV containing the concrete recommendations of Mr. Currie. I think I am the only member who has even referred to them.

Mr. Harkness: I dealt with them at some length before Christmas.

Mr. Claxton: Indeed—and I think this is accurate too—only the hon. member for Greenwood (Mr. Macdonnell) and to some extent the hon. member for Annapolis-Kings (Mr. Nowlan) this afternoon have referred in any way to the facts I gave in my statement, to the background explaining the way in which the auditor's branch worked, the army works services were established and the audits were conducted, or to the recommendations that have been made by Mr. Currie. Yet, hon. members opposite have endeavoured to say that we were not treating the report seriously. The hon. member for Wetaskiwin (Mr. Thomas) said, as found at page 1028 of *Hansard:*

> The minister intimated yesterday that the report was of very little value.

The hon. member for Lake Centre (Mr. Diefenbaker) said, "The government intends to do nothing". There were other hon. members who spoke to the same effect. I do not want to repeat, and I am sure nobody wants me to repeat, what I said a week ago; but I did tell the house precisely what the government and the department had done and were doing in consequence of the report, which I referred to as a very important document, and I referred to its constructive recommendations. Then I went on to deal with the recommendations under different classes. I referred to those which were being implemented before we ever received Mr. Currie's report at all, those which were being considered, and at the end of my remarks I referred to two which we considered so far as not being desirable in the circumstances.

That is not taking the report lightly. I have dealt with the report as it deserves to be dealt with. I have recounted to the house the approach we made to it, the consideration we gave to it and what we have done in consequence of it. I also said it would continue to receive consideration. I thought there were a number of matters raised in the report, particularly the recommendations in parts II, III and IV, concerning which it would be very useful indeed to have the views of the committee and also those of Mr. Currie. If this matter had not become the political issue that it has been made, I can tell the house that I would have been in continuous consultation with Mr. Currie since he made his report working out with him ways and means whereby we might implement it as expeditiously as possible in exactly the same way as we in the department were in consultation with him and his representatives throughout the whole period of his investigation, which was carried on as a joint operation.

It was in that spirit that the job was approached and it is in that spirit that it would have been carried through. But I hope the defence expenditure committee will be able to look into the report, have the officials of the department there and see whether the views I have already expressed on the cost of implementing some of the recommendations of the report are correct or whether the estimates of cost are as low as they can be made. Perhaps we can find ways and means of building fences and providing security guards at lower costs than those I gave the house last Tuesday, but these costs are the lowest at which we have been able to arrive so far. Some of them throw grave doubt upon the desirability of some of the additional security measures to which reference has been made.

Mr. Fleming: Would the minister permit a question?

Mr. Claxton: I think I had better finish.

Another thing, Mr. Speaker, at which the hon. members opposite have been pounding away, is that I gave the opposition and the country the assurance that everything was perfect. The hon. member for Kamloops (Mr. Fulton) at page 1069 of *Hansard* said:

> . . . he gave us the assurance that everything was perfect . . .

Similar expressions have been uttered by virtually every speaker for the Conservative opposition. Now, I have a pretty good filing system and index, and I have searched the records since I became Minister of National Defence in 1946 for any single occasion on which I said that everything was perfect, or anything to that effect. It is another myth the opposition are seeking to build up in order that when they find, as I know, that everything is not perfect they will say "but he said it was perfect".

Today the hon. member for Annapolis-Kings (Mr. Nowlan) quoted three passages

from speeches of mine in the house in 1948, 1950 and 1951. The quotations were, I think, intended to support the assertion that I said everything was perfect. Well, I ask hon. members to read *Hansard* for this afternoon to see whether they can extract any such assertion from those three statements, even widely spaced, and putting them together out of their context. Indeed, I will find a dozen statements in which I brought before the house the difficulties and problems of building up defence forces during this period after the second world war. I assure hon. members that I was fully conscious of those difficulties and, sometimes, conscious of the fact that not very much in the way of support was given in that very difficult task.

Now, sir, reference was made by the hon. member for Winnipeg North Centre and by the Leader of the Opposition (Mr. Drew) to the report of the Auditor General. That is a report made to parliament. In it the Auditor General makes his observations of the activities of various departments and agencies of government. The report has a total of 43 pages. It has 107 numbered paragraphs. Twelve of those paragraphs are devoted to national defence.

One section to which the Leader of the Opposition referred appears at page 24 of the report of the Auditor General. It deals with the methods of keeping accounts for stores. Here I would suggest that the Leader of the Opposition, in his remarks this afternoon, appeared as it were to put into the mouth of the Auditor General, in presenting his report, more than I think you will find in the report itself. *Hansard* and the report will of course speak for themselves. In paragraph 56 the report refers to service forces accounting:

> Stores. Surveys made of accounting systems—there are at least eight—indicate that no sustained effort has been made to achieve uniformity in systems within the services. The result is that mandatory directives are specialized, particularly with respect to the army. Various other special problems also exist, in particular:

Now, sir, the hon. member for Winnipeg North Centre referred to our uttering a blast upon receipt of the report of the Auditor General. There was no blast. The Canadian Press, the British United Press, and other sections of the press asked for comments on the background of the Auditor General's report and a statement was issued which gives some of the background. I will read from part of it.

> The storekeeping systems in use by the services were explained at some length to the defence expenditures committee last year. While they vary in detail, the basic principles underlying the systems are the same in all three services, and within each service. The organization for administering them differs among the services by reason of the differences in organization in each service to provide for the essentially different tasks of each. In the army, the ordnance corps, the army service corps, the medical corps, the dental corps and the engineer corps each have their own stores and accounting organizations. In this respect the Canadian army is similar to the British and United States armies with which they work. These systems of each corps differ in varying degrees to meet the specialized needs of the corps they serve. Continuous efforts are made to improve these systems and while uniformity is not an objective for its own sake where an improvement in one system could be usefully applied in the others, it is.

Then, Mr. Speaker, there are further notes. I suggest to the house that this is a matter which can properly go before the defence expenditure committee and be considered by it as was done last year.

The Leader of the Opposition, and also the member for Winnipeg North Centre, referred to the case of a brigadier who had received from the army both a retirement allowance and pay as a civilian employee in respect of the same period. That is dealt with at page 26 of the report, in paragraph 65. Here the Auditor General makes an observation drawing, as he properly should, the attention of parliament to this fact.

This grows out of the application by the Department of National Defence of the provisions of the law and regulations relating to retirement. Under these laws and regulations an officer or man on completion of a certain number of years of service is entitled —just like a civil servant—to a number of months of leave with pay upon retirement. In this case, and in numerous cases in this and other government departments, officers and men entitled to retirement leave have wished to join the civil service. Indeed, in our case, this officer was very much sought after and we wanted him to come to work at once. In accordance with the authority given to us by the treasury board, the civilian end of the department paid him his salary as a civilian worker while he got his retirement allowance for the period of leave which he was not getting. That was strictly in accordance with a ruling of the treasury board dated February 4, 1944.

The Auditor General feels that this should be drawn to the attention of members. It is another matter which I suggest could go before the committee on defence expenditure. Last year, when the observations of the Auditor General were before that committee, the committee examined them, heard the observations of the department, and appeared to be completely satisfied therewith. I hope the same result will obtain this year.

Now, sir, in the course of the discussion a number of points were made to which I

have only a brief moment to refer. The hon. member for Nanaimo (Mr. Pearkes) was good enough in his very courteous remarks to extend to me a welcome back, which I appreciated. Both he and the hon. member for Wetaskiwin (Mr. Thomas) referred to the reduction in size of the forces, and demobilization at the end of the second world war, having brought about or contributed to the situation in which the army works services found themselves at the time of Korea. I do not believe that can be successfully argued. There was no time at the end of the second world war when we were not engaged in building up the permanent peacetime army. Officers and men were taken on at the rate at which they were available, and at which spaces and money were available. The build-up was steady. Had we kept on forces in being and had we postponed demobilization, the disposal of surplus war stores and the conversion to peacetime use of the productive capacity in factories, I can hear the cry that would have gone up at our delay in getting the boys home and getting the people back to work. As it was, the speed with which the operation was carried out was a major factor in establishing Canada on a sound economic foundation and the early start in the post-war period contributed greatly to the prosperity which we have enjoyed ever since.

The hon. member for Winnipeg North Centre asked the Prime Minister whether there was not another order issued by the chief of the general staff with regard to the discussion of the Currie report by employees of the department, and the Prime Minister said there was none. The Prime Minister was quite correct. The only order issued by the chief of the general staff was the one read by the Prime Minister. However, the hon. member for Winnipeg North Centre had a unit order which had been issued to a minor unit by the commanding officer, and it was couched in those terms because he had a number of civilians working alongside service personnel. The fact that this had been done was discovered within a matter of days and a correction was entered.

Then the hon. member for York West (Mr. Adamson) asked a number of questions with regard to aircraft, particularly what we were doing to plan and equip ourselves with supersonic aircraft of types more advanced than the F-86 Sabre and the CF-100, which he said were good aeroplanes. Then he went on to say, as reported at page 1077 of *Hansard*:

—they would be practically useless as effective barriers to such bombers.

Mr. Speaker, his intelligence probably is no better than that available to the armed forces, but he himself suggests that these bombers, which might have an extremely high rate of speed and be able to travel at a high altitude, might come into the possession of the only possible enemy in three to five years. I believe that to be a rather modest estimate. I hope it is.

Mr. Adamson: I said a minimum of five years.

Mr. Claxton: All right; a minimum of five years. I should think that was a fairly sound position. The F-86E is the most advanced type of aircraft in production anywhere. That fact is brought out by the fact that it is being produced by us for Britain to help fill the gap there. It is being used by us in Britain and in France as part of the front line defences of the North Atlantic Treaty Organization, and it has proved itself in the battlefield in Korea. Not only have the United States-built Sabres proved themselves there, but the Canadian-built Sabres have also done so and, if I may say so, so have the officers of the R.C.A.F.

Then the question is asked: What are we doing to design and to construct a fighter plane with the characteristics necessary for successful combat? There is no fighter having better characteristics for successful combat belonging to us or to our allies today than the F-86E, and when equipped with the more powerful Orenda engines it is believed that it will have characteristics which will enable it to have a considerable life of usefulness against any enemy that might confront us. However, we are doing preliminary design work and are working out the characteristics for further long-time development of the CF-100. We work in close co-operation with our allies, the United Kingdom and the United States, with whom we have the closest liaison.

Then the hon. member for Cariboo (Mr. Murray) referred to the Alaska highway, particularly in 1942 and 1943. I should point out that, as hon. members know, the highway and all its operations were only taken over by the Canadian army on April 1, 1946.

The Leader of the Opposition referred to the question of security. I should refer again to what I said on this subject a week ago, as reported at page 942 of *Hansard*, when I recalled that at Petawawa alone the cost of fences necessary to provide security was estimated at $286,000 and the annual cost of the additional guards would be $119,000. At Camp Borden the figures were respectively $346,000 and $139,000. In connection with these questions you find that you must

strike a balance between how much you gain through reducing your potential losses by investing in capital equipment and putting on additional personnel.

As I pointed out the other day and as was pointed out by the hon. member for Skeena (Mr. Applewhaite), in his constructive and fair speech, the most striking example of that feature was at Farnham where, in order to save a possible loss of property having a value of probably $10,000, it would have been necessary to spend between $25,000 and $30,000 a year on guards.

The question has been asked: Why should we refer the Currie report to a committee? In the speech I made the other night and in my remarks tonight I have indicated some of the reasons why that should be done. I can also point to others. Other matters which are particularly interesting, and upon which it would be most helpful and constructive to have the views of the committee would be the simplification of the procedure for establishing positions and the machinery for filling positions. As the Currie report states and as I stated—and as everyone knows—the main reason for the situation which gave rise to the opportunities that occurred at Petawawa was a shortage of staff. As I said the other day, we have full documentation on each of the recommendations, and will be prepared to put before the committee in detail the efforts made to secure adequate establishments and staffs, both within the department and through the civil service commission. Having regard to the circumstances; the fact that this new system had only begun to be introduced and that its introduction was only likely to be completed in 1951; the fact that Korea intervened in June, 1950; the fact that since then we have had the great build-up in the operations and size of the armed forces, I think the committee, in the end, will be satisfied that even with all the advantage of hindsight it is difficult to see today what should have been done—and nobody here has suggested it—to prevent what happened. We must use every possible endeavour to see that everything reasonably economic to promote the efficient operation of the department and proper accounting is carried through. But once again, Mr. Speaker, I would remind hon. members that in this matter there was no failure in operations. There was a breakdown, as Mr. Currie calls it, although I think it was not so much a breakdown as the fact that the new system never had a chance to be established. It was this which produced a lack of more adequate accounts in the most difficult type of stores, the accounts for these engineering and building stores at a place in which, like other establishments across Canada, there was a great amount of construction going on.

Now, sir, at the beginning of his speech the Leader of the Opposition made reference to an amendment which the opposition had proposed to make. Of course it is appreciated that that amendment was not before the house. He suggested that the government had employed a device, though he said it was a perfectly proper device, to exclude its consideration. I suggest, Mr. Speaker, that what the Prime Minister (Mr. St. Laurent) did on that occasion was something that I really cannot imagine the Leader of the Opposition, or for that matter many leaders of parties, doing, namely forgoing his right to speak in order that on my return from abroad, I might take advantage of the first opportunity to deal with a matter which had come up during my absence. I am sure that had that not been done it would have been a subject of criticism.

Mr. Cardiff: A pretty lame excuse.

Mr. Claxton: It does not need an excuse at all. I have as much right to speak as the hon. member when I catch the Speaker's eye, and hon. members made no objection at the time. They had no right to make an objection, and no objection has been made since then.

Mr. Casselman: You are entitled to your ordinary time.

Mr. Claxton: The Leader of the Opposition said that perhaps we should have anticipated what their attitude would be because we knew they would be opposed to referring the Currie report to the committee on defence expenditure. Well, if that is so, what better—

Mr. Lennard: Who said that?

Mr. Claxton: —part could we play than to give them as early an opportunity as possible of indicating just where they stood; and that is what my amendment did.

Mr. Speaker: Order. It has been brought to my attention that the hon. member's time has expired.

Mr. Claxton: I am through; thanks.

Some hon. Members: Go ahead.

Mr. Claxton: Thank you, Mr. Speaker, and thank you, hon. members.

In beginning his speech the Leader of the Opposition said that the effectiveness of the armed forces must depend on the administration of the Department of National Defence. He referred to our forces in Korea and in Europe, and later on in his speech

he praised them as I have praised them. But in conclusion I would point out not only that the effectiveness of the forces depends on the administration of the department, but also that the effectiveness of the armed forces does not come about despite the department.

Mr. Fleming: The minister was kind enough to say that he would answer a question. When Mr. Currie says that internal warnings had not been lacking in the department, and that the chief auditor time and again had reported unsatisfactory conditions—

Some hon. Members: Question.

Mr. Speaker: Order. I understood the Minister of National Defence to say that he would hear a question at the close of his remarks. The hon. member for Eglinton may ask a question.

Mr. Fleming: I ask the minister whether those reports of the chief auditor of the department were read by the minister.

Mr. Claxton: I have already dealt with that. I dealt with it in my statement last Tuesday, Mr. Speaker. I pointed out that he made 1,185 reports and that in the nature of things they could not be seen by the minister, and only the most important ones by the deputy minister. However, matters were from time to time drawn to my attention.

Mr. Fleming: The minister never saw any of those reports personally? The minister shakes his head, indicating his answer is no.

Mr. Fraser: That is a terrible condition.

Mr. H. W. Herridge (Kootenay West): I rise to support the subamendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). In our opinion the Currie report, the report of the Auditor General tabled in this house, and the concern of the public over the expenditure of the taxpayers' money by the Department of National Defence warrant—

Mr. Speaker: Order.

Mr. Herridge: —that Mr. Currie be asked to conduct a further inquiry into the many other expenditures and commitments covered by the terms of the resolution. Without doubt the minister is responsible for the administration of his department, and quite openly has expressed no desire to escape the responsibility. I am of the opinion that the greater responsibility is not on the minister but on the government as a whole. To expect one minister to administer a department of such gigantic size as the Department of National Defence, having supervision over the expenditure of over $2,000 million, is to invite the very things to happen that are indicated in the Currie report.

There is no doubt about it that rather late realization of this fact has caused the government to consider and advance proposals for the appointment of an associate minister of national defence. Personally I think that is all to the good. But I am quite sure everyone will recognize that under present conditions the minister has an intolerable amount of office work. I understand that the signing of letters even, and the signing of orders is a tremendous physical task alone, and it is far too much for this government to expect such a huge department to be administered by one minister.

I am not capable of making suggestions as to what is best so far as the division of this department is concerned, but I will say this. I have heard a good number of people across this country say they are of the opinion that the hon. member for Quebec South (Mr. Power) should be brought back and given charge of air, and that possibly we should have an associate minister for the army and an associate minister for the navy. I just offer that suggestion as one that has been given to me by a number of persons who have some experience in military matters, and who are concerned about the present situation and with relieving the minister of a tremendous load.

This evening I really have one main subject to deal with, but before going on with that I want to say that I was very interested to listen to the explanation given to the house this afternoon by the Prime Minister (Mr. St. Laurent) in connection with the inadvertent mention by the hon. member for Winnipeg North Centre (Mr. Knowles) in his radio broadcast of the Prime Minister as receiving certain documents. Knowing the hon. member for Winnipeg North Centre as I do, I know he certainly would not make an intentional misstatement. He did that quite unintentionally. The point is this, that everything that was being done at that time was under the direction of the then minister of justice, the present Prime Minister (Mr. St. Laurent), and with his knowledge. As a matter of fact his personality affected all the events of that day. The government itself used certain documents and certain reports that were acknowledged to be stolen, in the interests of the state and for the safety of the state. No one criticized him on that account at that time.

This afternoon the Leader of the Opposition (Mr. Drew) I thought dealt very well with the, shall I say, "circumstances alter cases" part of the situation, when he was referring to the government's action so far as

the Currie report is concerned when compared with its action on other reports. I quite support what he had to say with respect to the royal commission's report on the Saskatchewan water development, where it is obvious that the gist of the report was in the hands of some of the press some days ago, and members of the House of Commons and people generally throughout Canada were able to read details in various important magazines. Yet we have not heard of any suggestion by the Minister of Justice (Mr. Garson) that a search is going to be made to see who leaked that report, or anything of the sort. We feel that circumstances do alter cases, and that possibly there is not quite the same incentive on the part of the government to find out who leaked that report, who stole that report, which has a bearing on government action, as there has seemed to be in connection with the first or working draft of the Currie report.

Before leaving that subject I should like to bring to the attention of the house this fact, that from a reading of the royal commission's report on the Canadian Pacific scandal of 1873, of the records of the house at that time, and of certain correspondence, I think it is quite correct to say that the first Liberal government that ever came into power in Canada after confederation obtained office as the result of a stolen telegram for which a supporter of the Liberal party paid $5,000. I think that is quite right. It is obvious that the tradition was established at a very early date.

I have said that the great majority of the people are concerned, in the first instance, with the expenditure of their hard-earned tax dollars for defence purposes. I think the people of Canada are willing to pay for a satisfactory and efficient defence; but they certainly want to be assured that those hard-earned tax dollars are being spent in a proper way. That is an aspect of the question which has been dealt with extensively by members who have spoken previously, including those of the Progressive Conservative party, as well as members of my own group and the Social Credit group. I am not going to discuss that matter tonight, but I shall deal with another aspect of the subject which I think is causing a good number of thinking Canadians serious concern.

I have had an opportunity to discuss this matter with people in various walks of life, people who see things seriously, and I think it is quite safe to say there are quite a number of people seriously concerned with one aspect of the Currie report connected with the actions of some of the military personnel in high authority. I refer particularly, first of all, to the tabling by the Prime Minister, at the time he tabled the Currie report, of a letter written by the chief of the general staff. I refer secondly to the message of the chief of the general staff in the latest issue of the *Canadian Army Journal*. I refer also to certain comments made by people in the Department of National Defence with respect to the Auditor General's report, as it applied to that department.

I deal with this question because I think at a time like this it is wise to bring it to the attention of the house, so that we may refresh our minds as to the exact meaning of a democracy. A great many editorials have been written about the tabling of the letter from the chief of the general staff, and about his message in the *Canadian Army Journal*. It is obvious that in some quarters there is great concern about this action. This is not the first time in Canada that a government has had to indicate that in a democracy those in high command in the army—the chief of the general staff and others—must accept their policy and their direction from parliament, through the government.

I should like to refer to the celebrated case in 1904 of Lord Dundonald, general officer commanding, who was dismissed by Sir Wilfrid Laurier, the then prime minister, for not observing the principle that the civil power must at all times rule the military. This episode took place when the then minister of agriculture, Mr. Fisher, in his capacity as acting minister of militia, cancelled the name of an officer from a list of officers of a new regiment of dragoons, which had been recommended to the council by Lord Dundonald. Speaking at a military banquet in Montreal, Lord Dundonald, at that time general officer commanding troops in Canada, denounced the minister's action as a gross instance of political interference. The case was brought up in parliament, occasioning vigorous debate. Sir Wilfrid Laurier stated that the cabinet was not obliged to accept the general's recommendations, and said:

> We are not accustomed to being dragooned in this country; Lord Dundonald, with all the respect I have for him, must learn that this is a responsible government.

I should like now to quote briefly extracts from volume 1 of the queen's regulations and orders for the Canadian army. Section 3, which deals with public, civil employment, and political activities, in article 19.36, headed, "Disclosure of information or opinion", states:

> No officer or man shall publish, communicate, or otherwise disclose any information or opinion relating to military subjects acquired as a result of his army service to any person who is not entitled to receive such information or opinion.

And article 19.37 headed, "Permission required to publish writing or deliver address" states:

(1) The provisions of this article shall not apply to a writing, lecture, address or broadcast confined exclusively to members of the Canadian forces.

(2) No officer or man shall, whether it purports to be fiction or fact, publish any writing or deliver any lecture, address, or broadcast in any way dealing with military subjects unless permission is first obtained to do so.

At this point I am going to ask the minister a question: In view of the queen's regulations, when writing his message to the army did the general officer commanding obtain permission to make what in the opinion of many members in the House of Commons would be considered a reflection upon parliament?

In that connection, before proceeding further I should like to read a few brief extracts from the message to the Canadian army from the chief of general staff. I realize that this has already been placed on record by the hon. member for Winnipeg North Centre. I should add that this is a well drafted and well written message, and states:

In recent weeks and months the army has been the target of unremitting attacks from many sources. We have been criticized for the indiscipline of Canadian soldiers. We have been criticized for too much discipline. We have been criticized for extravagance and criticized for not providing a whole host of things which cost a very great deal of money. We have been criticized for lack of morale and accused of complacency and arrogance when we have shown or proclaimed a pride in the Canadian army.

And again:

None of this should give cause for any discouragement or depression. The only justification for the existence of the Canadian army is to defend democracy of which free public criticism is an essential element. Some of this criticism has been, and will continue to be, unfairly biased and irresponsible but that will be as clear to the citizens and taxpayers outside the army as to those that serve in it.

And again:

I charge every soldier to apply himself in all those matters where we clearly need improvement but not to be discouraged or depressed by criticisms which are neither founded on truth nor justified in the light of our positive achievements.

My point is this. In view of the fact that criticism of the operations of the army and of the Department of National Defence has been primarily in this House of Commons during the last twelve months, in view of the fact that there has been criticism in the press as a result of the debate in the House of Commons, we in this group think it is quite improper for the chief of the general staff to write a message to the troops of Canada which obviously, in view of what he has written and of what has occurred in this house, where the criticism of the Department of National Defence originated, can be taken and has been taken by a great number of people to whom I have spoken about the matter as a criticism of parliament. I just want to go on to another aspect of these regulations. Section 3 of regulation 19.37 states:

No officer or man of the active force or of the reserves when he is on continuous army duty, special duty, or camp training, shall, whether it purports to be fiction or fact, publish any writing or deliver any lecture, address, or broadcast in any way dealing with subjects of a controversial nature affecting other departments of the public service or pertaining to public policy unless permission is first obtained to do so.

I should like to ask the Prime Minister a question in that connection. We all read the comments and quite clear criticism of the Auditor General's report which, according to the press, originated with high officers in the Department of National Defence. I ask the Prime Minister if those officers who made those comments in the Canadian press on the Auditor General's report had received the permission of the minister to do so. We in this group think it is highly improper for any official of the Department of National Defence or any high military officer to criticize or to comment upon the report of another department when it is issued. If that state of affairs were allowed to continue we would have the deputy minister of one department criticizing the deputy minister of another department.

I challenge anyone on the government side to indicate where in British parliamentary history a senior military officer or a senior official of the department having to do with military affairs, the war department as it is called in England, has criticized in public or in the press the report or statement of the official having a capacity equal to that of the Auditor General of Canada. It just is not done. I suggest in the same way that it is quite improper and is not fair to the officials who are being criticized or whose recommendations are being commented upon.

I am not going to delay the house at great length, but I feel keenly about this question because I think it is fundamental. I should like to make further reference to the case of Lord Dundonald, who was the general officer commanding in Canada in 1904. Sir Wilfrid Laurier, then prime minister of Canada, spoke in the debate that arose out of this case and I should like to quote his words, as reported in column 5533 of Hansard of June 24, 1904 as follows:

You will see in this but one more of the numerous contests for supremacy between the military power and the civil power which have taken place in England and in all British countries for many ages back. In England, sir, and in all British countries, and indeed in all civilized countries, these contests have taken place, but with this difference, however, that in all countries except England and British possessions, this contest invariably

terminated by the civil power being crushed by the military power; whereas in England and in British countries, countries that enjoy British laws the contest was decided once for all in favour of the civil power and of civil liberty. But though this contest was decided more than 100 years ago, still it is now and then revived by the military power.

I suggest that in the publication of this report and its distribution to the army, and in this reference to the Auditor General's report, there is an indication that some people are not considering parliament in respect to its relationship to the military power of this country. We all know that under British practice it is strictly forbidden for any member of the high command to comment on any political question or upon the happenings in parliament. I am informed by a good authority that on one occasion since 1945 a top ranking commander in the British army made a slight reference to the happenings in parliament and political developments, and was called immediately before the Prime Minister of Great Britain and told that that sort of thing was just not done.

I should like to refer again to what occurred in the house in 1904 and I quote from columns 4624 and 4626 of Hansard of June 10, 1904, where Mr. Henri Bourassa, speaking on the same Lord Dundonald matter, had this to say:

I think it is well that we should understand exactly the point at issue, not only before the house, but before the country. That point is whether the general officer commanding the militia of Canada is a servant of the government or not. If he is not a servant of the government, I quite accept the conclusion of hon. gentlemen opposite and say that he should not be interfered with by politicians. But, if it is acknowledged, as I always thought it was acknowledged, that he is a servant of the government, that he is appointed and paid by the government and therefore must report to the minister—who is responsible to the house—before stating anything to the country, then, I think the course of Lord Dundonald is absolutely indefensible.

But so long as this general officer commanding is in the position of any other public servant, he is bound to be silent, bound to do what would be the duty of any officer in his position in any civilized country.

Those remarks are strictly in accord with British tradition as to the relationship between parliament and the military power. Before concluding I should like to deal with the propriety of the Prime Minister tabling the letter written by the chief of the general staff, which has tended to have some influence on the public mind with regard to this Currie report and the consequential debate in parliament. I refer again to the debate that occurred in the Lord Dundonald case. There was another interesting aspect to that case which I think has a direct bearing upon the Prime Minister's action in tabling the communique from the chief of the general staff. Lord Dundonald had submitted a report, and it was argued by some that the minister of militia should have tabled the report. In that debate the then prime minister of Canada, Sir Wilfrid Laurier—I know hon. members on the other side hold his memory in greatest respect—quoted from Todd, that great parliamentary authority of Great Britain. He gave a series of quotations, but I should like to read only one or two. I refer hon. members to column 5541 of *Hansard* of June 4, 1904, where the then prime minister quotes Todd as follows:

The system of laying upon the table of the house reports from officers addressed to particular departments of the executive government is most objectionable.

He then went on to quote Disraeli who had spoken in the British house on the question of the tabling of correspondence or reports by officers addressed to executive members of parliament.

This is what Laurier quotes Disraeli as saying:

There have been cases in which reports of a confidential character from officers of the government have been laid upon the table of the house, to prepare the public mind, and also that of parliament, to consent to some large measure, or perhaps some considerable vote of public money; but generally I think it is a course which the house ought not to sanction.

These are opinions from high authorities which I think indicate some grounds for saying that we consider it improper for reports to be tabled in that way. If the chief of the general staff wanted the matter brought to the attention of the house he had the right to bring it to the attention of his minister or the Prime Minister, and then it would be the duty of the political executive to bring the matter to the attention of the house.

I mention my objections to these things at this time because I find that the newspapers of the country have shown considerable interest through their comments, and newspapers do not comment on things of this sort unless they realize that a principle is at stake or that a large number of people are interested. I also find that quite a number of people are most concerned about this development. I am not suggesting that at this stage it is a serious one, but I do think it is a development that should be nipped in the bud by the Prime Minister and the minister of the department concerned.

This is a democracy; and in our opinion if we are going to maintain it as a democracy parliament and the civil power should always remain supreme. Democracy on occasions, Mr. Speaker, has to be defended on the field of battle. However, its ultimate and final defence rests in the hearts and hands of those

who live in the cottages of our land. I am sure all members of the house will agree with me when I say that their front-line trench is parliament.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, in beginning my remarks I should like to say a word to the Minister of Justice (Mr. Garson) because he commenced proceedings this evening by admitting that the point of order raised this afternoon was not well taken and that Sergeant Young actually has applied for parole. I would think the word "parole" would have a great attraction for the Minister of Justice and the other members of the government, because if there is anything they need it is parole from their present responsibilities. I am glad to see the Minister of National Defence (Mr. Claxton) back in the house. I am also glad to say that, in spite of fairly strong political differences and probably harsh words back and forth in the house, personally we have remained quite friendly. I think that is one of the good things about this chamber.

I was sorry for the minister tonight because he was, in the words of my leader this afternoon, in the position of trying to explain the unexplainable. That of course is not novel for Liberal speakers during the past few years. They have had quite a number of unexplainable things to try to explain. I should like to comment on some of the matters the minister raised. While he was speaking I scribbled away fairly rapidly, but it may be that I missed some. However, I have a number of notes that cover most of them.

One of the first things he said was that the red herrings are beginning to smell, referring to a certain amount of comment that has come from this side of the house with respect to the red herrings the government has been attempting to drag across the Currie report. All I can say is that the minister's olfactory senses cannot be very keen or he would have recognized some time ago that the red herring was beginning to smell. The biggest red herring that has been brought into the debate so far is the attempt to make out that the most important issue before us is how the C.C.F. got possession of a draft copy of the report. That is the chief red herring that has been introduced into the debate.

It is beyond me why the members of the government would think that was a matter which the general public of the country were going to look upon as being very important, compared with the budget of $2 billion being spent on defence with which this debate is supposed to be dealing, to a considerable extent, in that we are talking about the setting up of a defence expenditure committee. I do not understand why the government would think a red herring of that sort would have very much effect so far as the general public are concerned. That is certainly the smelliest of all the smelly red herrings that have been introduced. I am not, however, going to enter into the Liberal-C.C.F. argument that has been going on with respect to whether an extremely serious offence was committed when the C.C.F. got hold of a draft copy of the report. I think I can quite readily leave that to my friends of the C.C.F.

The minister also said that the only person who had dealt with parts II, III and IV of the report—the ones containing the recommendations—was himself. As a matter of fact, as I tried to point out to him by an interjection during his speech, I dealt with those parts when speaking on this matter before Christmas, at the time the Currie report was first tabled in the house. I dealt particularly with one recommendation which I think is extremely good, namely that a pilot plant or company should be set up so far as the works services are concerned. I recommended at that time, and I recommend now, that pilot companies, pilot battalions, pilot batteries and so forth be set up for all the various branches of the army and the other defence services, so people can see how things should be done properly and how they can be done properly, and then can go back to their own units and apply what they have learned.

I pointed out at that time that from my reading of history that was one of the chief strengths of the German army and one of the reasons they were able to train as good an army as they did in a relatively short period before the last war. That is one of the recommendations I dealt with at some length before Christmas, and I emphasize it again now because I think it is so important. Any attempt the minister may have been trying to make to represent that the members on this side of the house are not interested in the recommendations, that all we are interested in is the first part of the report which blisters the government, is a complete failure. We are even more interested in the latter parts of the report and the recommendations contained therein than in the first part, and we are particularly interested that those recommendations be put into effect.

I shall come back to that matter later. Certainly if the recommendations are to be put into effect it is absolutely useless to place them before the defence expenditure committee. The very name of the committee

indicates that the committee is not equipped to deal with recommendations of the type Mr. Currie has made in his report. The only way these recommendations can be put into effect is for the minister and the officials of the department to start to put them into effect. The minister said in his other speech that quite a few of the recommendations—I think he said twenty odd—

Mr. Claxton: Twenty-seven.

Mr. Harkness: —had already been put into effect. When the defence estimates are before the house later in the session I shall be interested in hearing a report from him with regard to how the recommendations put into effect have been working out, how successful they are and so forth, but certainly the defence expenditure committee cannot do anything toward putting them into effect. The idea of referring the report to the defence expenditure committee, from the point of view of the recommendations, is completely hopeless and just does not make sense.

The next thing is that the minister complained that we said that he said everything was perfect. He went on to say that was a myth, and he never did say so. He will recall, and I think he will admit, that at least I have complained of that myself for the last four years. As a matter of fact, every year for the last four years when we have been discussing the defence estimates I have brought this matter up and cited chapter and verse.

I have not time to go into it now, but I can think of two instances in which the minister represented everything as being just perfect. I brought up these things and asked "What is the situation?" and he gave an answer which did not mean anything. One was in connection with the number of field guns we had in this country. The other was in connection with the number of ack-ack guns we had in this country, and what kind of ack-ack defences we had. He said we had excellent ack-ack defences and that the people of Canada had nothing to worry about. I asked him what was this ack-ack defence and where were the guns. I cited the city of Ottawa as having no ack-ack defences. The minister never answered that and never said anything about it again. He just conveniently forgot it and hoped that everyone else would forget it.

Those are just two specific examples of what he claims is a myth. He has represented, in connection with practically every single matter brought up in the house, that everything is just fine: "Don't worry, boys; leave everything to me and the defence of the country is in safe hands." Every time we have brought up specific matters to show that such was not the case he would try to brush the thing aside, or forget it, or say nothing about it. Mr. Speaker, I was glad to hear the minister admit tonight—and I think it is for the first time—that everything was not perfect. I think the minister is now making progress.

Some hon. Members: Hear, hear.

Mr. Harkness: He finally admits for the first time that everything is not perfect, and it is the very first time.

The next matter the minister dealt with was the fact that complaints had been made from this side of the house to the effect that the rapid demobilization which took place following the war had been responsible for the lack of personnel in the army works services, and that therefore the policy of the government was responsible for the present mess at Petawawa and elsewhere. I think he quoted the hon. member for Nanaimo (Mr. Pearkes) and another hon. member in that regard. The minister said that rapid demobilization on the contrary had contributed greatly to the "prosperity of the country"; that is the note I made. He said it would have caused a great deal of disgruntlement amongst servicemen if it had not taken place. I agree with that; but what happened was that a great number of people who did not want to be demobilized were demobilized against their will, the very people who had administrative experience, who could have trained the other members of these works companies and other administrative people throughout the army.

I also spoke on this matter before Christmas and I do not like to repeat what I said then, but apparently the minister paid no attention to what I said at that time, and to what others said. Following the war the Department of National Defence followed the policy of getting out of the army all of the older officers who had had experience before the war in the peacetime administration of the army, the older N.C.O.'s and so on. A very considerable number of those people were retired years before their normal time for pension.

As a result of that policy of retiring these people—I think the idea was that by getting rid of the older fellows they could make room for younger fellows and then keep promoting them more rapidly, and so on—nearly all the men who had any amount of administrative and accounting experience and so on were let out. That was particularly true with those who had served in the Canadian army before the war. They were let out after the war, and we started with a group of green people. A great many had no experience along administrative and accounting lines.

Their experience during the war had been fighting experience; it was not administrative experience. It is no wonder they did not do a good job, and took a long time to learn the job.

So I place the responsibility for this situation which has developed at Petawawa, and generally as far as administration is concerned, squarely on the shoulders of this government, because of the policy they followed after the war of getting rid of people who did have administrative experience, accounting experience and so on.

The minister went on to say something about the obsolescence or otherwise of the F-86E Sabre. That, Mr. Speaker, is a very technical matter and there is not very much use of either the minister or myself, or any other member, making assertions about it. I personally hope very much that what the minister said was correct, that the F-86E Sabre is the best fighter in production. Unfortunately I must point out that the United States jet fighter pilots who have come back from Korea have not said that. It is useless for the minister and myself to get into an argument on the matter because I know that neither he nor I have the technical knowledge to know what we are talking about. We are just taking assertions from this, that or the other person. In any event I will say no more about that particular matter.

The minister next asked why should we refer or why are we referring the Currie report to the committee. He said there were a lot of reasons which perhaps had not been mentioned. The first reason was to secure simplification in regard to the filling of posts. Goodness gracious, how can referring this report to the committee do anything in the world in regard to simplification as far as filling posts is concerned? The committee cannot do anything about that. All the committee can do is to listen to the recommendations from Mr. Currie or others, recommendations which he has already made to the government.

Once more this is one of the things which can only have any effect if the government takes it up and gets some good personnel managers on the job, gets them to work and gets posts filled as a result. Referring it to the committee is only going to delay getting personnel on the job, and the determination of what is required in posts in the army works services or other branches. The minister gave a second reason, but he wandered around and I really did not gather enough about it to comment.

Next was the question asked by the hon. member for Eglinton (Mr. Fleming). In reply to that question the minister said that 1,100 odd reports from the auditors of his own department had been made. On further questioning, as I understood him, he said he had read none of those reports. Was that correct? He had not read a single one of those 1,100 reports submitted by his own inspecting officers or auditors, some of which reports are referred to in the Currie report.

I would say, Mr. Speaker, that many of the present troubles in the Department of National Defence might have been prevented if the minister had read those reports. I think this was one of the most significant admissions the Minister of National Defence has yet made in this house. I referred to one a while ago, that everything was not perfect. Now this is a more significant admission because it shows clearly that the breakdown of administration which took place in his department was the result of not paying any attention to the inspection and auditing system which they had. Under any reasonable system at all I should say the minister would have had the more important of these auditors' reports brought to his attention. At the very least, Mr. Speaker, if the administrative set-up in the department had been running at all properly, a digest of these auditors' reports, and of the things which they showed were wrong, would have been placed before the minister every month or every two weeks, or at some such stated periods. Then, they having been brought to his attention, he could have taken some effective action to correct them. As the situation was, none of these 1,100 irregularities which the auditors reported was ever brought to the attention of the minister. Under those circumstances how could you expect any corrective action to be taken?

Mr. Claxton: Not 1,100 irregularities, as the hon. member stated, but 1,185 reports.

Mr. Harkness: The irregularities were contained in the reports. There is no question about that. Many other matters might have been contained in them also, but the irregularities were contained in them. Under those circumstances, Mr. Speaker—the minister not having read a single one of them; none of them having been brought to his attention in any way—I would say it is no wonder that Mr. Currie in his report said that things had gone wrong at or near the top.

So much for the various matters which the minister mentioned. There are a few other things to which I should like to refer. A person sitting in the gallery throughout the discussion of this report, as far as the members on the government side of the house are concerned, if he happened to come

in and listen only to government members, I am sure would have been greatly perturbed and puzzled as to what was the motion before the house. We of course are on a motion to set up a committee to investigate defence expenditure, the same sort of committee that we had for this purpose last year. I think the terms of reference are exactly the same. To that motion the Minister of National Defence (Mr. Claxton) moved an amendment. The amendment directs the committee, when set up, to first consider the Currie report.

As has been abundantly shown by all those who have spoken on this side of the house, I think that report speaks for itself. I can think of nothing less valuable than to have the committee on defence expenditure spend its time, in effect, in investigating the investigator. That is what we would be doing, and that is all the defence expenditure committee can and will do if it is turned loose on this Currie report. We shall be investigating the investigator, the very man the Minister of National Defence and this government appointed for the purpose of investigating the irregularities which had taken place at Petawawa, who spent months in doing that, and who turned in what I think everyone will admit was an absolutely splendid report.

The reason for the tactics of the government in moving this amendment, Mr. Speaker, seems to be quite clear. I do not think there is much doubt about it. The first thing they hope to accomplish by doing that is this: By having the committee go minutely over the Currie report, clause by clause, their objective is to try to cast some doubt on some of the items which are contained in it and, at the same time, by spending weeks in that procedure, to smother the whole report in words. As a matter of fact, that is the technique which was employed so effectively on many occasions by their late leader, Mr. Mackenzie King: smother the thing in words. That seems to be what they are going to try to do in the committee on defence expenditure with regard to this report.

A second and probably much more important purpose would be served, as far as the government is concerned, in moving this amendment, and it is this. As a result of considering the Currie report the committee would not have time to investigate the much more important matters on which it should be engaged. Those matters are the expenditures, by this time something over $3 billion, on our rearmament. How much more than $3 billion it is, I do not know. It certainly must be considerably more than that by this time because the committee's work starts back when the Korean war began in 1950.

What happened last year in the committee on defence expenditure I think presents a reasonable parallel with what happened here in the house this year with regard to this amendment moved by the minister. I think probably the results which were achieved last year in the committee by the tactics followed there suggested the present course to the government and constitute the reason they have adopted it. Last year in the defence expenditure committee I made a motion that the committee should investigate the situation which had developed at Petawawa, but the government would not hear of it. Oh, no; there was no chance at all. It was sub judice. Everything was wrong with that idea.

In the committee we talked about the matter for some time. The government was in this position, I think. They did not want a vote on the issue directly. They thought it would look bad through the country to refuse to have the committee investigate Petawawa, so the hon. member for Skeena (Mr. Applewhaite) rose and moved an amendment to that motion. The amendment was in this form:

> That all the words after "that" be struck out—

And "that" was the first word in my motion. It can therefore be seen that the idea was to slaughter my motion completely. I may say that this was on April 29, 1952. The amendment continues:

> —and the following substituted therefor:
>
> That pursuant to the terms of reference of this committee evidence be taken from competent witnesses dealing with the administrative procedures laid down by the Department of National Defence for the receipt, stockkeeping, issue and accounting of stores, material and equipment at military camps and establishments and in particular the steps taken to prevent, discover and eliminate the loss, misuse or wastage of government property of every kind and that the committee thereafter consider what further steps, if any, should be taken.

Of course that amendment was adopted by the Liberal majority of two to one on the committee. Those are all exceedingly high-sounding words. It sounded as though this were going to be a terrific committee, and as though they were going to carry on a terrific investigation. But in actual fact, Mr. Speaker, here is what it accomplished. It accomplished the purpose of keeping the committee occupied, for half of its entire sittings, with a mass of detail on hundreds of sheets of paper—and they were piled up to a considerable height—which contained lists of losses by fire, theft and other irregularities in the navy, the army and the air force, including items of $2.50, $3.69 and so

forth. We were expected to go through—and we did so as far as two of the services were concerned—these long lists, item by item, with an explanation on the side as to how this loss of $2.50 had taken place, and so on. What was accomplished by all that was this. Instead of doing the work which it was appointed to do; instead of doing the work it should have done; instead of doing the work that it was necessary should be done for the welfare of this country, that committee was smothered with this great mass of unimportant details which we had not asked for and which was pushed on top of us.

I have here, Mr. Speaker, an analysis of the meetings of that committee. The committee met first, for organizational purposes, on April 8. It was just an organization meeting. Following that meeting we had seventeen working sessions. Mark you, Mr. Chairman, this important committee held its first working session on April 22. It took all that time for the government to get around to the point of even getting the committee started, before they started to smother it. We started on April 22 and we finished on June 17 having, as I say, held seventeen working sessions, two of them on the last day we sat.

In order that there will be no mistake, the last working day we sat was June 12. We had two sessions, morning and afternoon. On June 17 we had a closed session to consider the report, which was presented to us in mimeographed form. It had been prepared by the chairman or somebody else, I do not know whom, but there it was in front of us, and they said: "There is your report." That is the great committee to which members on that side of the house will refer and say: "The committee on defence expenditure considered this, and they did not find anything wrong. The committee on defence expenditure did not find anything wrong with this particular matter. They did not turn in any adverse report on it." Mr. Speaker, do you think that any report brought in on a mimeographed sheet of paper by the chairman of the committee and presented to the members of the committee was going to be critical of anything the department had done? Why, the thing is unthinkable.

Mr. Croll: Will the hon. member tell me how else you can produce fifty copies of a report?

Mr. Harkness: Well, I will say this, Mr. Speaker. When we consider a report, we might consider some of the things that the hon. member for Greenwood (Mr. Macdonnell) and the hon. member for Kamloops (Mr. Fulton), and two or three others and myself think should go into the report, but naturally these things were not wanted in.

Mr. Adamson: And they were deliberately prevented from going into the report, too.

Mr. Rowe: Seventeen whitewash brushes.

Mr. Harkness: A little further explanation of what went on at these various sessions is also extremely illuminating. There were seventeen working sessions. Eight of those were on these lists that I have talked about, losses by fire and theft and so forth, those minor matters. Eight of the seventeen were given to that. Then one was entirely given over to an explanation on the part of the deputy minister as to the excessive number of boots and forks and teapots and carpets and things of that sort that had been purchased and about which complaints had been made.

Mr. Rowe: And nylon stockings.

Mr. Harkness: Four of the meetings were on mechanical transport. That is all right; mechanical transport is an important item in the armed services, but it is by no means one of the most expensive items. There was one session and a very small part of another one on armaments; that is, guns and small arms and that sort of thing. There were two sessions on aircraft of all kinds, ships and ammunition, all these things which took in I should say all told more than half the total defence budget. Well over $1 billion would be represented in these items of aircraft, ships and ammunition, and we had two out of the seventeen meetings on those items. Then the Liberal members of this house come here, and they go out around the country, and say that the defence expenditure committee did not find anything wrong; everything is fine. What opportunity did that committee have to find out anything about important items as far as expenditures in the country are concerned? They really had no opportunity at all.

Then we had one session on the construction program, which carried on—

An hon. Member: How corny can you get?

Mr. Harkness: I think the minister gave the figure the other day of the total amount of buildings which we had in works services as $750 million. On that we had one session of two hours, most of which was taken up by Mr. Mansur, who gave a very able presentation. He spent most of the time reading his brief or giving his presentation in regard to that matter, with the result that just a few minutes were left for questioning on it. That was the defence expenditure committee last year. That is what went on in the committee last year. The committee was not allowed to function as it should have been allowed to function. The committee was

deliberately put on unimportant matters, and was kept on those unimportant matters as long as it was possible to keep it there.

It seems quite evident, Mr. Speaker, that the idea this year is to put the committee on to the Currie report, and as a result to prevent it from dealing with these large items of expenditure. The aircraft item of $668 million which I referred to before Christmas is one such item. God knows how much more it is by this time.

Mr. Adamson: And how effective it is.

Mr. Harkness: The construction program which was spoken about by the hon. member for Red Deer (Mr. Shaw), and which the Minister of Resources and Development (Mr. Winters) promised would be investigated by the defence expenditure committee, is another. How much time will the construction program get in the defence expenditure committee? I venture to predict that it will not get one two-hour session during the whole time. If this program envisaged by the government is carried out time will be spent on a minute examination and re-examination of the Currie report, and it will be a complete waste of time as far as the committee is concerned.

Mr. Rowe: They will be expected to curry the Currie report.

Mr. Harkness: It seems to me that what the people of Canada are interested in is in seeing that value is received for the money spent on defence. That is the main thing that the people of Canada want at the present time. I do not think any Canadian grudges one cent or one dollar which is spent effectively for the defence effort. I emphasize the word "effectively" because the people of this country almost universally do grudge and complain bitterly about the money which is taken from them and wasted, as far as the defence effort is concerned, and which contributes to the inefficiency which has been displayed up to date in regard to our rearmament effort and defence spending generally.

At the present time people are making up their income tax returns. Those people are not too interested in how the hon. member for Rosetown-Biggar (Mr. Coldwell) got hold of an unauthorized copy or a draft copy of the Currie report. They are not too interested in that or in the other extraneous matters which have been brought up here, the red herrings which have been referred to. What they are interested in, and what they are concerned about is how their dollars are being spent for defence. They are very interested in that; and a task which the defence expenditure committee can do for them is to determine whether these dollars are being properly and effectively spent in at least some ways in the defence department. Under the course followed by the government that committee is going to be prevented from discovering that.

The government, as I mentioned before, has attempted to make this disappearance of a draft copy a major question. The major effort on their part is to distract attention from the really important questions posed by the Currie report. The important criticism of the government in the Currie report is not the various details which the minister has spoken about. It is the general breakdown in administration which has taken place within the Department of National Defence, the cost of which Mr. Currie has said cannot even be estimated, and which is certainly very much greater than the value of the articles which were stolen or otherwise made away with.

I have comments here on speeches made by the Prime Minister (Mr. St. Laurent) and the other Liberal members who have spoken in this debate. I see that I have not time to deal with them all. I would sum up all the speeches which have been made by Liberal members in defence of the government as far as the Currie report is concerned in this way. They were a confused mass of irrelevancies, and they exhibited a complete failure to meet the important criticisms to which I have referred, which are either definitely made or implied in the Currie report and also in the report of the Auditor General.

The criticisms which are either made or implied in these reports are criticisms which we on this side of the house have made here in the past three or four years. Year after year we have been telling the Minister of National Defence that things are not going well this way, or that they are not going well that way; that his general administrative set-up in the Department of National Defence headquarters is staff-heavy; that there is too much red tape; that in some places he has too much staff and in other places he has not enough; that his department is badly organized.

The hon. member for Greenwood (Mr. Macdonnell) urged that a firm of efficiency experts should be brought in to make recommendations to the minister as to how the civilian or administrative part of his department could be reorganized so that he would have a more effective and better working department, but the minister has always pooh-poohed the idea. He has said, "The department does not need an efficiency expert. They are small potatoes, so far as

we are concerned". According to the minister, only small concerns call in efficiency experts today. Well, I venture to say that if he had called one in three years ago the government would not be in the position they are today with regard to the Currie report.

Mr. Rowe: Some of them might have read the report, anyway.

Mr. Adamson: You see what just one chartered accountant did for them.

Mr. Harkness: I can sum it up in this way, that the Auditor General's report and the Currie report have demonstrated all too well that the criticisms we on this side of the house have been making in the last three or four years are only too well founded.

On motion of Mr. Noseworthy the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow is private members' day. We shall proceed according to standing order 15.

Motion agreed to and the house adjourned at 9.55 p.m.

HOUSE OF COMMONS

Wednesday, January 21, 1953

The house met at 2.30 p.m.

PRIVILEGE

MR. POULIOT—REFERENCE TO CHANGES IN "HANSARD"

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I rise to a question of privilege. I am not touchy about changes that are made by hon. members in their speeches, and I very seldom go to the *Hansard* office to correct my own; but on page 1152 of *Hansard* of yesterday I read this:

Either they are afraid to have him—

Speaking of Mr. Currie.

—as a witness or they realize that there is not enough already in the report to justify their commitments.

Mr. Wright: The police prosecutions have substantiated them.

Mr. Pouliot: That is the opinion of the hon. gentleman. We may differ with him.

And so on. The *Hansard* office has sent me that page of the script of yesterday and the reporter, referring to Mr. Currie of whom I had spoken, had written the following:

Mr. Wright: He has substantiated them.

It was changed in high and sharp penmanship—I wonder if it is the penmanship of the hon. gentleman or of his deskmate—to:

The police prosecutions have substantiated them.

I had spoken of Mr. Currie as a former brass hat, but I never said that he was a policeman, and it changes completely my remarks:

That is the opinion of the hon. gentleman. We may differ with him.

If this is going to be read by many people, and it is, I must say that the police prosecutions are to the honour of the Ministers of National Defence, and it is their best defence against all the accusations that have been brought against them.

Mr. Wright: Mr. Speaker, on the point of privilege which the hon. member has raised, I did not go to the *Hansard* office. *Hansard* sent me the blue copy and asked me to correct it because, as indicated by the hon. member, the words that were there were not the words that I used in the house, and I made the necessary corrections here in the house on the blue copy which was sent to me by *Hansard*.

QUESTIONS

CONTRACTS FOR PARACHUTES

Mr. MacLean (Queens):

1. Have contracts been let by the government for parachutes since 1946?
2. If so, what individuals or companies asked for information or specifications?
3. What individuals or companies submitted tenders for any contracts?
4. What was the total amount of contracts let to each company for (a) man-carrying parachutes; (b) other types of parachutes?

He said: I wish to have this question dropped for redrafting.

Mr. Speaker: Dropped.

SUDBURY—GRAVEL FOR DEFENCE CONSTRUCTION PROJECT

Mr. Gauthier (Sudbury):

1. Has A. W. Robertson Construction Company Limited been paid for gravel used by that company on a defence construction project in the Sudbury district?
2. If is, for what yardage of gravel has this company been paid, from July 1, 1951, to date?

Mr. Dickey:

1. Yes.

2. Yardages of gravel as follows: (a) Mr. W. T. Green, Sudbury, Ontario, 20,053·7 cubic yards; (b) Pioneer Construction Company Limited, Sudbury, Ontario, 15,104·5 cubic yards; total, 35,158·2 cubic yards.

CANNED PORK—GOVERNMENT PURCHASES

Mr. Lennard:

1. At what date did the Department of Agriculture start purchasing canned pork?
2. At what date is it proposed to terminate this purchasing?

Mr. McCubbin:

1. Week ending March 15, 1952.

2. No definite date has been set for the termination of purchasing. This will depend on market conditions, storage space, marketable surplus and other factors.

FROZEN TUNA—IMPORTS FROM JAPAN

Mr. Pearkes:

1. Has any frozen tuna been imported to Canada from Japan, or Japanese fishing vessels?
2. If so, what quantities were imported, during the years 1951 and 1952?

Mr. McIlraith: Mr. Speaker, it will be noted that this question refers to frozen tuna. Frozen tuna is not separately classified in

trade statistics, and for that reason it is not possible to get the information asked for.

Mr. Speaker: Answered.

SOY BEANS—IMPORTS

Mr. White (Middlesex East):

How many bushels of soy beans were imported into Canada, during each of the months of September, October, November and December, 1952?

Mr. McIlraith:

September, 1952	6,482	bushels
October	589,672	"
November	875,982	"
December	not yet available	

COD FISHING EXPERIMENTS—VESSELS HIRED

Mr. Browne (St. John's West):

1. Who are the owners of the vessels *Edward Humby, Atlantic Rover, Marjory Beryl, Pat & Judy,* and *Gertrude & Ronald,* employed by the federal government during 1952, in Newfoundland waters, in experimental methods of catching codfish?
2. What is the rate of hire in each case?
3. For what period was each vessel hired?
4. Is it the intention of the federal government to continue to hire these vessels during 1953?

Mr. MacNaught:

1. *Edward Humby,* G. Hemeon (Lessor); *Atlantic Rover,* R. W. Decker; *Marjory Beryl,* M. S. Taylor; *Pat & Judy,* J. Atkinson; *Gertrude & Ronald,* G. Hemeon.

2. *Edward Humby,* (a); *Atlantic Rover,* (b); *Marjory Beryl,* (b); *Pat & Judy,* (b); *Gertrude & Ronald,* (b).

Rate (a) $1,350 per month for vessel and skipper, all fish or other catch to be the property of the lessor and the lessor to supply the necessary crew; (b) $1,500 per month for vessel and skipper, all fish or other catch to be the property of Her Majesty and the department to reimburse lessors for crew, not exceeding three with a maximum limit of $800 per month.

3. *Edward Humby,* Jan. 1 to May 10, 1952; *Atlantic Rover,* June 23 to Nov. 30, 1952; *Marjory Beryl,* June 21 to Nov. 30, 1952; *Pat & Judy,* June 21 to Nov. 30, 1952; *Gertrude & Ronald,* July 17 to Nov. 30, 1952.

4. The *Atlantic Rover* and *Gertrude & Ronald* have had their charters extended to cover the period January 1 to April 30. It is the intention to continue this experimental fishing during the summer and fall of 1953, but arrangements as to boats to be chartered have not yet been concluded.

PRAIRIE FARM ASSISTANCE

Mr. Argue:

1. How many townships or parts of townships in Manitoba, Saskatchewan, Alberta and British Columbia, were eligible for prairie farm assistance in 1952?

[Mr. McIlraith.]

2. How many farmers in each province were eligible for prairie farm assistance in 1952?
3. What is the total payment involved in each province as a result of crop failure in 1952?

Mr. McCubbin:

1. 1952 eligible townships and part townships paid to December 22, 1952, Manitoba, 5; Saskatchewan, 152; Alberta, 107; British Columbia, 3; total, 267.

2. Manitoba, 117; Saskatchewan, 3,010; Alberta, 1,609; British Columbia, 74; total, 4,810.

3. Manitoba, $12,595.25; Saskatchewan, $383,825.00; Alberta, $137,138.50; British Columbia, $2,761.00; total, $536,319.75

UNEMPLOYMENT INSURANCE COMMISSION—DRUMMONDVILLE, QUE., PREMISES

Mr. Courtemanche:

1. From whom does the unemployment insurance commission rent premises for its offices at Drummondville, Quebec?
2. Are these premises completely heated?
3. If not, what floor area is heated and what floor area is not?
4. When was the lease first signed?
5. For how many years and at what price?
6. Was the lease renewed before the expiry of the first lease?
7. If so, at what price?

Mr. Fournier (Hull):

1. The Department of Public Works rents the second floor of building at 165 Marchand street, Drummondville, P.Q., from Messrs. Ernest and Ubald Grondin for the accommodation of the unemployment insurance commission.

2. The lessors attend to the heating.

3. Answered by No. 2.

4. June 15, 1949.

5. (a) For five years, with option to the crown to renew for one year on the same terms.

(b) $6,247.50 per annum.

6. No, lease is still in force.

7. Answered by No. 6.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COAL—PRODUCTION AND IMPORTS

Mr. Gillis:

1. What was the total coal production in Canada for the year 1952, by provinces?
2. What was the total tonnage of coal imports from the United States to Canada in the year 1952?
3. What was the total tonnage of imported American coal used or stockpiled by the Canadian National Railways, in (a) Ontario; (b) Quebec; (c) New Brunswick (d) Nova Scotia?
4. What are the names of the companies in Canada who import American coal?

LUNAM CONSTRUCTION COMPANY—CONTRACTS

Mr. Diefenbaker:

1. How many contracts for buildings or projects have been let by any department of the government other than the Department of Public Works to the Lunam Construction Company, in Saskatchewan, since January 1, 1948?
2. What was the amount to be paid to the said company for completion of each of the said buildings or projects?
3. How much was paid to the said company on each of the said buildings or projects?
4. Did the said company become insolvent? If so, when?
5. How much was owing by the said company for (a) wages; (b) materials; (c) other services, on each of the said buildings or projects, since such insolvency?
6. Of the amounts so owing, how much has been paid by any department of government other than the Department of Public Works?

LABOUR CONDITIONS

RAILWAY EMPLOYEES—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. J. I. Hetland (Humboldt): Mr. Speaker, I desire to ask leave to move, seconded by the hon. member for Moose Mountain (Mr. Smith), the adjournment of the house under standing order No. 31, for the purpose of discussing a definite matter of urgent public importance, namely, the possibility of another railway strike, due to the reported break-off of negotiations, which would tie up the economy of the country and prevent the sale of millions of bushels of grain, much of which is out in the open and unprotected, in western Canada.

Mr. Speaker: The hon. member for Humboldt (Mr. Hetland), seconded by the hon. member for Moose Mountain (Mr. Smith), has asked leave to move, under standing order 31, to adjourn the house to discuss a definite matter of urgent public importance. The request for leave to make his motion appears to have been made at the proper time.

The hon. member has handed me a statement of the matter proposed to be discussed. The next procedure is for me to decide whether it is in order and of urgent public importance. I must say that the hon. member informed me that he would ask leave to propose a motion with respect to this matter. I realize it is a very important matter, and I have no hesitation in saying that the hon. member's proposed motion has given me some concern. In the statement handed to me the hon. member refers to a reported break-off in negotiations. The only information I have as to a break-off is what I have read in the press. I believe it would be in order if, before I proceed to make a decision, the Minister of Labour (Mr. Gregg) were to inform the house as to the present position of negotiations. I assume that this matter is one which is in the first instance for his department. Would this procedure be agreeable?

Some hon. Members: Agreed.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I am sure all hon. members will agree with my hon. friend from Humboldt (Mr. Hetland) that this is a matter of great importance. I am not going to discuss the degree of urgency of the motion, but in response to your suggestion, sir, I should like to say something as to its expediency at this time.

It is true that, overnight, I received communications from both parties in the present railway dispute, one which has come toward the end of a long series of industrial disputes between railway managements and their various classifications of organized employees. They told me that yesterday negotiations had been discontinued. But in spite of that I entertain the hope, and I am expressing that hope to the two parties, that they might continue their efforts toward a settlement in the only satisfactory way the dispute can be settled, namely, by collective bargaining and negotiations.

Just before entering the chamber today our officials told me there was a possibility this afternoon of a renewal of talks leading toward that objective. I hope most sincerely that this might be true. I know all hon. members realize how delicate and difficult is the task now before the two parties concerned in relation to all the other contracts that have been worked out. Frankly, I doubt very much whether a full-dress debate on the subject here this afternoon would help the two parties in that difficult task.

Consequently, on my undertaking that we will continue to keep in the closest possible touch with the situation, I would like to ask the hon. member for Humboldt if, for the present, he would withdraw his motion.

Mr. Hetland: In view of what the minister has said, I agree, for the time being, to withdraw the motion.

Some hon. Members: Agreed.

Motion withdrawn.

HUMAN RIGHTS

DECLARATION TO ENSURE FREEDOMS—REFERENCE TO SUPREME COURT AS TO JURISDICTION

Mr. E. D. Fulton (for Mr. Diefenbaker) moved:

That, in the opinion of this house, immediate consideration should be given to the advisability of introducing a bill or declaration of rights to assure

amongst other rights; 1. Freedom of religion, freedom of speech, freedom of the press and of radio; 2. That habeas corpus shall not be abrogated or suspended except by parliament; 3. That no one shall be deprived of liberty or property without due process of law, and in no case by order in council; 4. That no tribunal or commission shall have the power to compel the giving of evidence by any one who is denied counsel or other constitutional safeguards.

And that as a preliminary step the government should consider the advisability of submitting for the opinion of the Supreme Court of Canada the question as to the degree to which fundamental freedoms of religion, speech and of the press and the preservation of the constitutional rights of the individual are matters of federal or provincial jurisdiction.

He said: Mr. Speaker, I wonder if I might have leave of the house to make a very brief statement on behalf of the hon. member for Lake Centre (Mr. Diefenbaker). I am sure hon. members will learn with regret that he has been called home because of the serious illness of his mother.

This is the second time the hon. member's motion has been called. It was first called last Monday and, for the reason I have just indicated, he was not here. If it stands again today I believe that, under the rules, it would be dropped from the order paper. Therefore, with your permission and by leave of the house I would like to move this motion on behalf of the hon. member and then move the adjournment of the debate. As I understand, under the rules the motion would then go over to "Public Bills and Orders", but would be preserved to be called when it was reached in due course under that heading. If that meets with your approval and I have the leave of the house, I should like to follow that course.

Mr. Speaker: I presume the hon. member has the approval of the hon. member for Lake Centre (Mr. Diefenbaker) to adopt this procedure?

Mr. Fulton: I must be candid and say that owing to the sudden nature of his call home, and also the fact that the hon. member was in Toronto over the week end where he received the call, I did not have the opportunity to take up the details with him. But it occurred to me and to my colleagues as being the only way in which this motion could be preserved at all during this session. I think I know the hon. member well enough to feel that I can take the responsibility to ask that this procedure be followed.

Mr. Speaker: The reason I brought the matter to the attention of the hon. member is that if that procedure is followed this afternoon this item will next appear under "Public Bills and Orders." I would not think that the possibility of it being reached would be very great.

[Mr. Fulton.]

It may not be any greater if the motion were dropped and restored to the order paper in the usual way. It would then appear at the foot of "Notices of Motions". However, I shall leave it entirely to the hon. member for Kamloops to say what procedure he would like to have followed.

Mr. Fulton: I rather feel that the chances of the motion being reached if it were dropped and then restored under "Notices of Motions" would be slightly less than the chance of it being reached if it were placed at the foot of "Public Bills and Orders". In view of the great and continuing interest in this matter of the hon. member for Lake Centre I felt it would meet with the approval of the house if someone could just speak to it, move the adjournment of the debate and thus preserve it so that it will still appear on the order paper.

Mr. Speaker: It is agreed that the motion has been moved and has been adjourned.

OBSCENE LITERATURE

PROPOSED JOINT COMMITTEE TO RECOMMEND MEASURES TO DEAL WITH FILTHY LITERATURE

Mr. E. D. Fulton (Kamloops) moved:

That, in the opinion of the house, the government should consider the advisability of appointing a joint committee of both houses of parliament for the purpose of studying and recommending legislation or other measures under which the growing volume of filthy literature circulating in Canada can be effectively dealt with, without at the same time improperly restricting the freedom of the press or of genuine literary or artistic expression.

He said: Mr. Speaker, in bringing this matter before the house today I feel that you and hon. members will be glad when I say that my intention is to speak for less than the length of time allowed because I know there are a large number of hon. members who are deeply interested in this subject. As there are only three and a half hours for debate today I feel that I should be as brief as possible to give an opportunity for others to speak who wish to do so.

I have said that I know that this matter is one of the greatest interest to a large number of hon. members. I base that statement on the volume of resolutions and letters which I have received from all parts of Canada in support of the suggestion contained in the resolution and also from conversations which I have had with my colleagues in the house in which they have indicated their interest in and concern over the situation which exists. I say without fear of contradiction that there

is evidence of a disturbing increase in the volume of filthy literature circulating in Canada.

That fact indicates the seriousness of the problem. It is also a problem of great complexity, the solution to which is going to tax the ingenuity of this house or of any body that has to deal with it. I venture to state that the difficulty of the problem is indicated in the words of the resolution, which I have phrased as I did because of that difficulty. So that the context may be complete, I should like to read the resolution, which is as follows:

> That, in the opinion of this house, the government should consider the advisability of appointing a joint committee of both houses of parliament for the purpose of studying and recommending legislation or other measures under which the growing volume of filthy literature circulating in Canada can be effectively dealt with, without at the same time improperly restricting the freedom of the press or of genuine literary or artistic expression.

That is the problem, and it is an old problem. The problem is to reconcile freedom of speech and literary and artistic expression with the necessity of preventing abuse, preventing a situation under which liberty becomes licence and degenerates, in so far as this matter is concerned, into lewdness or obscenity.

Hon. members, from reading the press and other sources dealing with this matter, are perhaps well acquainted with the fact that there is in Canada, as there is in the United States, a growing concern over this problem. Therefore it is not necessary for me to review at any length the growth of the situation which now confronts us. I would however draw your attention and the attention of others to the fact that there has existed on the statute books of Canada for some years legislation dealing with obscene literature. This will be found in section 207 of the Criminal Code. This legislation was substantially amended in 1949 by a bill passed in the second session of that year.

The fact is that the only heading under which obscene literature is dealt with in section 207 is by use of the one word "obscene". There is no wider or broader definition given in the code of the type of literature with which we are concerned. It is made an offence to print, publish, circulate and, generally speaking, otherwise deal with or have in possession, for any of those purposes, obscene literature.

The amendment which was passed by parliament in 1949 provided for certain changes, but they dealt mainly with crime comics. I am not attempting to state that that was the only purpose or only effect of that legislation, but I think I am accurate when I say that it was the main concern before the house at that time. So, broadly speaking, we are left in the situation where the legislation dealing with obscene literature is in the same form as that in which it has existed for many years. I but reflect the views of a very large number of Canadians and I believe a considerable proportion of the membership of the house when I say that, under circumstances now prevailing, as pointed up by the very great increase in the volume of this filthy matter now circulating, it is correct to say that the legislation is no longer adequate to deal with the situation.

In connection with this whole subject, I received this morning a report that has just been published of a committee of the United States congress. It is headed, "Report of the Select Committee on Current Pornographic Materials, House of Representatives, 82nd Congress, Pursuant to House Resolution 596", which was passed in May of last year. The United States house of representatives set up a committee pursuant to that resolution which made an exhaustive study of the whole matter. For the benefit of the house I should like to read the summary of their approach to the matter. I do so because I find that their approach and the approach I am about to suggest are almost identical. As recorded at page 12, the United States committee said:

> A practical solution consistent with adequate safeguards against possible violation of the constitutional rights of free speech is the aim of the committee and never has it entertained any thought of federal censorship of the press.

I submit, Mr. Speaker that is the line of approach which our parliament should follow. We should not adopt, as the objective in dealing with this problem, the setting up of any form of federal censorship. I believe that to set up a form of censorship, particularly at the federal level, would be to expose the country to dangers greater possibly than the danger with which we are seeking to deal, the danger present in this large volume of filthy literature. There are other approaches much more consistent with our traditions of justice, freedom and democracy which I suggest should be the main concern of the house in seeking ways to deal with the problem. I suggest that the basis of that approach is to seek to strengthen the existing legislation, to seek to find a method under our Criminal Code whereby we may define with sufficient clarity just what offence is meant, just what it is that we mean by obscene literature which it is an offence to publish, so that our courts may deal with the matter with certainty and without the great difficulties which now surround their consideration of such cases when they come before them.

I shall have something to say in that connection in a few moments. I mention it at

this stage because I want to make it perfectly clear that that at any rate is my approach to the matter in bringing it before the house, not that we should have censorship, but rather that we should seek to strengthen the legislation and then leave it to the courts to decide whether, in any particular instance, an individual or a corporation has been guilty of an offence.

I should like to have the indulgence of the house for a moment or two to outline the seriousness and extent of the problem, because after all what I am suggesting, and suggesting in all seriousness, is that the House of Commons should set up a committee to deal with the whole matter, and I know how serious that is. Parliament is composed of members who have a great volume of work, who are extremely busy, and it would not be proper for anyone to suggest lightly that we should add to our work by setting up another committee unless the subject suggested for reference thereto is one of extreme importance.

Mr. Garson: I wonder if I might ask my hon. friend a question. Before he leaves the alleged inadequacy of the law, would he favour us with his opinion as to why it is inadequate as it stands at the present time. That seems to be the point.

Mr. Fulton: If the minister will permit me, I shall come back to that in the course of my remarks. I intend to deal with it, and will not leave it with only a passing reference, but I want now to suggest to the house the seriousness and extent of the problem which I say should be referred to a committee. I should like to rely to a considerable extent, if I may, on quotations from authorities far better qualified than I am. As you know, Mr. Speaker, a committee of the Senate was set up to study the whole matter. It sat during the last session and I understand it is to resume its studies during the present session. I shall not refer to anything current but I should like to quote one or two excerpts from their proceedings of last session.

One question which I think is sometimes present in the minds of those considering this matter is whether after all it is so important. I know in fact that it is rather easy and sometimes tempting to treat the necessity of dealing with obscene literature as the ideas of a bluestocking reformer, as something which can be treated with humour and laughed off. I take the liberty of suggesting, on the basis of my own experience, that it is not readily understood by ordinary Canadians of decent mind the extent to which this filthy literature infests the newsstands across the country. It comes as an eye-opener, as a shock, to go in and browse around a newsstand and pick up some of the things exposed for sale there and which are available at 5, 10 or 15 cents—rarely more than 35 cents—to the youth of the country. Anyone realizing the volume and the perniciousness of the materials which are offered for sale, and the ease with which they can be acquired, would, I am confident, not hesitate for a moment to devote his full attention to the question.

I hope I shall be able to lay before the house some indications of the extent of the circulation of this material, and therefore of the seriousness of the problem, in justification of my request that we set up a committee to deal with it. Last session a delegation from the Imperial Order of the Daughters of the Empire appeared before the Senate committee. It is not necessary for me to speak about the responsibility of that organization and the care with which it might be expected to make its representations. Here is an extract from what they had to say with respect to the extent of the danger. They are dealing at this stage with comic books only, and I wish to read from page 30 of the report of the proceedings of the special committee of the Senate. They said:

> There are approximately 125 "comic" books published with types too numerous to mention. One newspaper editor in the United States examined 108 "comic" books and found 70 per cent altogether undesirable. A survey committee in Victoria, B.C., estimates that less than 10 per cent of the "comics" are at all desirable

They go on to say:

> Few and deadly dull are the comics that even pretend to be comical. The humour has disappeared. Instead we have Superman and gangs of thieves, G-men and sadistic murderers who carve their way through the "funny pages" talking plain talk, and giving people "the works".
>
> Comics are on sale at all newsstands, many shoeshine parlours and tobacco shops. They also are stocked in pool rooms and children go there to make their purchases. Bookstores refuse to stock "comics" because children, coming to buy, handle and soil other merchandise.
>
> The "comic strips", however, are mild in comparison with the "escape literature" of today. Just to look at the gruesome cover pictures on a newsstand is enough to make one's hair curl. Yet apparently people, including children, read it, and in fact demand it. The "bad" versus the "good" is the theme nowadays and the ugly chatter of machine guns and the wham-wham of black automatics are altogether commonplace.

Then the committee of the United States house reporting on their studies of the extent to which this material circulates had this to say, and I am reading from page 2 of their report:

> Pornography is big business. The extent to which the profit motive has brushed aside all generally accepted standards of decency and good taste and substituted inferior moral standards, has become not only a national disgrace but a menace to our civic welfare as well. Parents who would not tolerate salacious conversation in their homes apparently do not object to, or are unaware of,

the presence of degrading types of books and magazines devoted to the same topics, whose principal appeal is to the salacious-minded.

They go on:

In addition to their other vices, so-called "comics" for children are build-ups for later sales to adults of low ethical standards. Much of the modern output of such juvenile fiction does not teach children to think straight. Cartoon-comic books, a degenerate outgrowth of long-established newspaper comic strips, were "bootlegged" when they first made their appearance but are now flaunted openly in public markets. Men who certainly ought to know, former Warden Lewis Lawes of Sing Sing Prison, J. Edgar Hoover, Director of the F.B.I., and Judge James V. Mulholland, of the New York City Domestic Relations and Children's Courts, agree that they have a definite influence upon the motivations of youthful offenders.

Then, Mr. Speaker, I should also like to quote from the statement made by one member of the committee of the United States house who spoke of her difficulty in persuading herself that this was in fact a pressing problem. I suggest that in the minds of many in Canada there is present the same difficulty. As reported at page 9 of this report she says:

I can remember very well that ten years ago so-called smutty literature was unknown in this country. It was so unknown that I personally, when I was appointed to this committee, thought we were chasing something that was rather absurd because there was so little of it, that it would not amount to anything.

Now the thing that has appalled me is that this stuff is very big business, that it is going out in millions, and that, as I see the picture, it has changed the mores and the morals of the country because, after all, people can be judged by what they read.

I was always under the very happy impression that Americans did not read this kind of literature, but they apparently do, judging by the money that is taken in by great publishing houses, and also by the quantity of this stuff that comes out, and I think it is unfortunate that they are reading so much of this.

The evidence that we have had, both by way of representations from individuals and by way of submissions to the Senate committee, indicates that the situation in Canada is no less serious than it is in the United States.

Then there is the question of who is responsible for the situation, and I have heard a number of suggestions to the effect that this is not a matter calling for parliamentary action or legislative action—that it is a matter which the parents and the people of Canada, and particularly the publishers and distributors of printed material, should themselves handle.

Mr. Speaker, I suggest to the house that the problem has gone far beyond the stage at which such voluntary action, if you want to call it that, can provide an adequate solution. There is the question of the various stages involved from the time the material is conceived in the mind of some perverted author, through the various printing, publishing, distribution and retail trades into the hands of the ultimate purchaser. There is the question whether the vendor, the distributor, the publisher or the printer should be the target of suggestions about how this matter might be handled.

The Senate committee had an outline presented to it last year of the difficulties of saying just who is responsible for the widespread distribution of this filthy material. They had before them a gentleman who owns a newsstand here in Ottawa. It appears that in Canada, in this part of the country at any rate, this type of publication is distributed mainly by two large concerns, the National News Company and the American News Company. This witness gave us the information that the retailer was not free to insist to his distributor that he should not be provided with undesirable types of literature and that they should give him only the desirable type that he might wish to sell. He informed the committee that the vendors receive what they call packaged literature. That might mean they would get up to 75 different magazines in a bundle. That bundle is delivered to the store on regular days once a week in most cases. It contained just the number and type of magazine which the distributor felt were appropriate in that bundle.

He said that in his little store it is necessary, and would always be necessary if he wanted to be certain that no undesirable material reached the public, to have a girl and pay her full time to do nothing more than to go through those bundles and make sure the undesirable literature was removed and put under the counter leaving only the desirable types exposed for sale. Even then he said it is difficult to know whether you are getting a person qualified to make that choice.

So you see, Mr. Speaker, that it is not fair—although I am not suggesting that they should be absolved altogether—to blame the vendors, because they get this material in vast quantities and it is a task of the greatest difficulty, from a physical point of view alone, for them to sort it out. It is my suggestion that the distributor, and more particularly the printer and publisher, should be held responsible; and that the greatest onus for cleaning up this situation should be placed on them.

The witness I am referring to, a Mr. Grenier, gave this answer before the Senate committee to a question regarding what would be necessary for the retailer to clean up the situation. As shown at page 23 of the committee's proceedings, he was asked by one hon. senator:

You would require a censor in every retail store?

The answer was:

It would amount to that.

The United States committee came to very much the same conclusion about the difficulties of cleaning the situation up by taking action at the retail level. As reported at page 17 of the report of their select committee, they said:

It seems clear that publishers are responsible for the inception, preparation, distribution, and sale of pornographic literature, which now reaches an incredible volume and produces profits of such magnitude as to encourage resistance on their part to all efforts leading to control by law. Any effort toward controlling this menace effectively must begin at the source, which is the publisher, and this is emphasized by the results of inquiries which the committee has conducted.

They say further:

It would be paradoxical to state that if such books were not in existence this moral stigma would thereby be eliminated; but the idea in making such a statement is to point out that the source of this pornographic stream is the publishing house and while the distributor, the wholesaler, and the retailer all participate as purveyors, it is the publisher who is primarily responsible, since he is the architect and creator without whom the chain of distribution could not function.

In Canada, Mr. Speaker—and I mention this only in passing—the problem is complicated by the extent to which literature circulated in this country is imported from the United States. Even if we could devise a satisfactory answer along these lines, probably it would not be the complete answer in Canada to hold the publisher exclusively responsible, because in many cases the publishers are United States concerns. We have to go a little farther than the findings of the United States committee might suggest.

As to the nature of these problems, may I just read one further extract from the findings of that United States committee. I do this, Mr. Speaker, because I have read through this volume carefully and I say without hesitation that their findings, in so far as the nature of this filthy stuff is concerned and its prevalence, are borne out by the limited investigation that I, as one individual, have been able to carry out in Canada. The situation here is proportionately just as bad as it is there. Here is what the committee has to say with regard to the magazine type of obscene literature, which I think is the type that reaches young Canadian boys and girls in the formative stage of their lives, in the greatest quantity. I read this from page 24:

The weight of evidence against cheesecake-nudism is not so much against nudity per se as against those avaricious publishers who present their subjects in torsos abnormally exaggerated as to their secondary sexual attributes, and in suggestive, even lascivious, poses. It cannot be denied that such pictures will have a libidinous effect on many normal individuals. Their effect upon the subnormal individual may be more disastrous. The most objectionable feature of this state of affairs is that pornographic pictures are sold indiscriminately to men, women, youths of both sexes, and even to children.

It is not pleasant to dwell at length on the details of the kind of filth found in these publications, but I should like to outline for you an example from just one publication. I think it may come as a shock to hon. members, certainly it did to me, to know about this. I do want to emphasize to the house that the extreme seriousness of this situation is that children—possibly the children of many of the hon. members here—are exposed daily to this type of thing. It is a matter calling for the earnest consideration of parliament to find ways and means of ending the flood of this filthy literature.

In a magazine which I picked up on the newsstand in Ottawa, but which I shall not name, there was a series of pictures of what you might call the comic strip variety. It was entitled "Undressed to Kill". There was a series of pictures of a bandit, so-called holding a woman up at the point of a gun and forcing her to undress; and the undressing is revealed progressively until the culmination. The first picture has the caption—"'What's coming off here?' the cool killer asks his beautiful victim" She has her dress about half way down. The next picture—"Too bashful to answer, April turns her back on the cad. Nice back." Let us say nothing about that—except that the dress is all the way down now. "'O.K., Babe', he says, 'let's take off.' Our nervous heroine thinks he means this." By now the slip is coming off. In the next picture, "She gives him a different view of his work. Nice view."—showing a further stage of disrobing. "He sees this won't be an undercover job, and he likes what he sees." Then: "Fighting desperately for her life, she sends a warm breeze his way." And the final picture: "No use. A ·45 slug rips through pale flesh and April's out of season." She is by then completely undressed, and being carried off over the shoulder of the "bandit".

The point I want to make, Mr. Speaker, is this. This type of magazine can come into the hands of anyone in Canada who wants to buy it. They are being bought, and bought in large quantities, by young boys and girls. As every hon. member knows, children are born imitators. They imitate, not in the sense of wanting to do something that is wrong, but simply because it is what they have seen. Even if it happens to be wrong, they imitate it, and the first thing they know, they are accused of doing something wrong.

I ask hon. members who may have children themselves to imagine what would happen if this magazine or others like it fell into the hands of a gang of boys, perhaps 12 or 13 years old, to whom these words and pictures appeal as a rather exciting thing. They would be inclined to imitate it. Here is a rather exciting thing they have seen illustrated, and they decide it would be fun to copy it. I believe every hon. member will be able to look back and recall, from his own knowledge, actual cases about which he has heard, where boys and girls have got into trouble by doing that sort of thing in exactly the sort of way I am describing. They may start by undressing their little sister or by grabbing a little girl on a vacant lot and starting to undress her. I am not overshooting the mark, because the undressing of others, and worse, has been done by gangs of school children in cities of the United States and our own country.

Obviously, such incidents are not the result of only one cause, but I do suggest this sort of thing is a contributing factor. When we have illustrations of this sort, combined with the warnings of such men as Mr. Hoover, director of the federal bureau of investigation, that these things do contribute to juvenile crime, then I think we can appreciate the seriousness of the situation. We have, therefore, a very serious problem. We have the problem of preventing people from perverting the minds and morals of youth for profit, but it is a problem which I believe to be capable of solution by this parliament.

I am not going to be dogmatic, and am suggesting the question be referred to a committee. But my own view is that one way to a solution lies in strengthening the legislation, which still refers to the one word "obscene". This word "obscene" has received a variety of interpretations. I looked it up in the Oxford dictionary and in Funk and Wagnalls, the United States dictionary, and I find that these authoritative works have great difficulty in adequately defining the word "obscene".

Mr. Garson: Is my hon. friend aware of the fact that it has been judicially interpreted?

Mr. Fulton: I am very much aware of the fact that it has been judicially interpreted in the case of *Regina v. Hicklin,* I think the name was. In any event, it was Chief Justice Cockburn who laid down the judicial definition of the word "obscene". I have his definition before me here, and it reads:

> The test of obscenity is this, whether the tendency of the matter charged as obscenity is to deprave and corrupt those whose minds are open to such immoral influences and into whose hands a publication of this sort may fall.

One of the difficulties there, of course, is that that sets up any judge trying such a case as a censor. He has to determine whether or not the matter complained of is obscene within the meaning of that definition, whether or not the tendency of the matter charged would be such as to deprave and corrupt those whose minds are open to such immoral influences and into whose hands such a publication may fall. The difficulty—

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

Mr. Fulton: Just in a minute. The difficulty that judges have found, and indeed have expressed in the courts, is that they do not feel themselves qualified to be censors, because they realize fully that what may appear to be obscene to them, and may be obscene in one context to them, may not be obscene to others, and might not be obscene in another context. Judges have expressed, as the minister knows, the greatest reluctance to come to conclusions as to whether or not matter complained of is actually obscene; although they have expressed the strongest personal revulsion to the matter complained of, they still say: "I do not want to set myself up as a censor."

Mr. Garson: Will my hon. friend tell us, if a judge is not permitted to decide on questions of fact in a matter of this kind, such as whether it is obscene, in what other way an enforceable section of the code could be drafted?

Mr. Fulton: I am going to give a suggestion along those lines in a minute, and I realize I am perhaps soon going to break my own resolution and speak for the full forty minutes, so I will hasten to a conclusion. I do not suggest for a moment that a judge should not have to determine a question of fact; but—and I am not going to be dogmatic and lay down the words of any definition which might be adopted, though I should hope it would be decided by the suggested committee after its hearings that some clear definition be inserted—I suggest the judge should be assisted in his task of deciding the question of fact by a more adequate, a more clear-cut definition, dealing by classification if necessary, of the types of literature which now circulate in quantities and of a sort entirely unheard of and unsuspected when this legislation was first enacted. Here, for instance, is an illustration of the sort of problem with which judges are faced, and problems which have the result that judges are not deciding questions of fact but are deciding questions of conjecture and are asked to become the

arbiters of moral standards, a position which every judge, however high-minded he may be, dislikes being placed in.

In the case of *Rex v. Descotes,* a 1925 case, reported at 63, Quebec Supreme Court Cases, page 52, the judge said this:

> The last words of this quotation—
>
> Referring to another authority.
>
> —point out a factor which must be borne in mind. A medical work would not be obscene if sold only to medical students or practitioners. But it might be most unwise to allow such a book to fall into the hands of young people without medical training, and so far as the general public was concerned, such a book would then be obscene, and its sale an offence.

Mr. Garson: What is obscure about that? That is as clear as daylight.

Mr. Fulton: It may be clear to the minister but it has certainly not been a matter that judges have found it clear to decide. The minister wants to leave the judges and the courts without any help in arriving at this question of whether or not the matter complained of is obscene, and we have seen the results in our courts. It is perfectly true that a number of prosecutions have succeeded, but a number of other prosecutions, in connection with matter which I suggest without hesitation this parliament would unanimously decide was obscene, have failed because the judge has said: "I have my own personal views about it, which I would not hesitate to express, but as a judge in a court of law I do not feel that I am qualified to set myself up as a censor and say what is obscene, because, although it is obscene to me, it may not be obscene to others, and for all I know it may not be obscene to the majority." I suggest to the minister and to the house that it is the duty of parliament—that is one of the things that we as legislators are here for—to say what "obscene" means, and when we are providing that it shall be an offence against society to engage in the publication of this type of lewd, obscene matter, to say wherein the offence lies; and that being so, let us define what is the obscenity that we are trying to deal with, and define it in such clear terms that when a judge is confronted in a complaint against a person that he has committed that offence, he will be enabled to find without hesitation and without doubt whether or not that person committed that offence. In view of the many judicial statements and dicta in connection with these cases, the minister cannot say that judges are in a position today where they can make such a finding without hesitation and without doubt.

[Mr. Fulton.]

Mr. Garson: Will the hon. member permit another question? My hon. friend says that parliament will be able to draft a better definition. Can he imagine a better definition of obscenity than the very one which he has just quoted? The test of obscenity is this: whether the tendency of the matter charged as obscenity is to deprave and corrupt those whose minds are open to such immoral influences and into whose hands a publication of this sort may fall. Can he imagine parliament getting a better definition than that?

Mr. Fulton: Yes, I can imagine that a committee might work out a better definition. That definition was given in 1868 before the present pulp comic was ever thought of, and at a time when literature which now masquerades in many cases, in cheap editions, under the guise of works of art and sociological studies, in gaudy covers, was simply not available to the teen-agers, boys and girls, into whose hands that literature now falls. I am sorry I cannot deal with it at too great length; my time is nearly up. Take the case of the medical book referred to in *Rex v. Descotes*—

Mr. Garson: That is exactly covered by this definition.

Mr. Fulton: With deference, the minister and I apparently are just poles apart, because I submit it is not covered by that definition at all. Are you going to charge the medical book as being obscene simply because it falls into the hands of a person other than a medical student? And yet that is the difficulty. Are these books, which might not be regarded as obscene if they come into the hands of certain people, to be regarded as obscene merely because they come into the hands of other people? That is what the minister is saying. In other words, the minister would want the judge to make the test of obscenity not whether it was really obscene or not but into whose hands the matter came. I submit that is not a satisfactory test of obscenity.

Whether the minister and I can ever be of one mind on this point or not, I do say this to him, to you, sir, and to the house, that the growing concern over the danger to the morals of the children of this country, expressed by parents and by many organizations, is an indication, if any other indication were needed, that this matter is not being satisfactorily dealt with under the present legislation; and indeed, sir, the very fact that the volume of this filthy stuff circulating in Canada is growing in such enormous proportions is another indication, if another indication were needed, that there is not a satisfactory answer in the legislation on the statute books at the present time.

Mr. Speaker, as I said, I am not going to be dogmatic. I think the whole question is one for a committee of parliament to study. If of course they feel that the present legislation is satisfactory, then they will so recommend. But I think there should be a committee. I hope the house will agree because I believe there are sufficient able men in this house and in the other place to be able—and here I answer the minister definitely—to devise a more satisfactory definition, a definition which is more appropriate in the light of the present type and quantity of literature circulating in Canada, and also possibly to classify the types of literature with which we are dealing, because there is certainly no attempt to differentiate between different sorts under the present legislation.

I can tell the house as a matter of interest that I had the opportunity to appear before the Senate committee last session. I asked the hon. senators if they would welcome a suggestion that this house join them in such a study. They gave me their assurance that they would indeed, and that if this house were to set up a committee the two committees might then meet and form a joint committee of parliament to continue the study on which they have embarked.

I know that you cannot legislate morality; you cannot, by legislation, require and compel people to accept standards which they do not believe in. But I do not think there is any difficulty on that ground, because certainly the moral standards of the people of Canada, as will be agreed by all members of this House of Commons, are such that they all condemn this filthy trash to which our children are exposed. So, while you cannot legislate morality, I do believe you can and you should, by legislation, define as an offence the publication of literature which seeks, for motives of profit, to pervert morals, particularly those of children. And that is what this type of filthy trash does. I think by legislation we should provide that that shall be an offence, adequately defined, and liable to extremely heavy punishment.

I hope that the house will accept the suggestion to set up a committee which would devote its attention to the whole problem, to the end that the people of this country, particularly the children of Canada, may have more protection than, I respectfully suggest, they have now against this type of obscene literature.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in rising to take part in this debate, following the speech of the hon. member who has moved the resolution, I should like to indicate at the beginning that, as a citizen, as a member of the House of Commons, as Minister of Justice and, particularly, as a parent, I am in complete agreement with him as to the desirability of doing everything within our power to stamp out traffic in this obscene literature.

We know, as he has stated, that there are those who make light of this literature, as being not a matter of serious moment. But I do not share their views for one moment. I think that this is a matter of great seriousness.

I was glad to hear him say that he agrees with the conclusions of an American committee to the effect that a practical solution is their aim. We can all agree in being against sin, and we all agree with practical solutions. I am glad to hear him say that he has no thought of censorship. I wondered if, toward the end of his remarks, what he had in mind was some kind of index of banned books prepared by parliament. He shakes his head in the negative and I am glad to see that he excludes that possibility.

Likewise I was glad to hear him say, and I entirely agree with him, that there is no use depending upon voluntary action in this matter, because it will not be sufficient.

An hon. Member: Private enterprise intervenes.

Mr. Garson: Quite. Where there is a thoroughgoing big business on the one hand, and a few volunteers on the other; and it simply will not work out.

That being the case, it seems to me that my hon. friend from Kamloops has pretty successfully narrowed down the field of inquiry of the committee to which he has referred, and the field of consideration that we might give to this matter in the present debate. He has narrowed it down to a provision in the Criminal Code prohibiting the possession or the sale of this type of literature.

As I understand my hon. friend, he says that the section in the Criminal Code at the present time is defective only in that it does not provide a sufficiently clear definition of the crime itself.

Mr. Fulton: I did not have time to make all the suggestions that should be made. That is my main objection to the present provision. But I also believe the penalties are not sufficiently heavy, and that they should be even more severe against the printers and publishers than they should be against retailers and distributors. Those are other suggestions.

Mr. Garson: I am very glad to have my hon. friend's supplementary remarks; but I think he will agree with me that the question of penalty is not basic in the matter. The basic question is whether we can get a satisfactory definition of the crime itself.

Now, while I agree with my hon. friend on all these points I have indicated, I still deprecate very much indeed his attitude toward this subject, and for reasons which I shall now indicate. Because what will prevent more than anything else any proper action in connection with this matter is divided counsels as to the manner in which it should now be dealt with. And when we are fussing around and tinkering with the law, instead of enforcing it, we are not going to cure this evil.

My submission is—and I hope to back it up with cogency—that the law which we now have is quite enforceable. I say that the way to cure this evil is a very simple way, and that is by enforcing that existing law; and every step we take, such as the one which my hon. friend indicates in the house today, that draws attention away from the fact that enforcement is the only thing that will cure the evil, is a step in the wrong direction.

The thing to do today is to bring to bear the pressure of public opinion upon the authorities which have the responsibility for enforcing this law. In that way—and in my judgment in no other way—will we cure the evil in quick order.

What are the facts? I am surprised my hon. friend from Kamloops, of all members of this house, should have forgotten them so soon. He brought a bill before the House of Commons dealing with crime comics. It was accepted by the government in good faith. But when we examined it we thought it was wholly inadequate for the purposes for which it was intended.

Mr. Fulton: That is not easy to understand. It was prepared by the Department of Justice for the previous minister of justice.

Mr. Garson: That may or may not be; but I had thought perhaps it was done under my hon. friend's instructions.

But, no matter what its origin was, when it was considered it was found to be wholly inadequate for the purposes for which it was intended. And my hon. friend must remember—and if not I shall now refresh his memory upon the point—that his bill was held here in committee for a long time. And for what purpose? It was held in committee in order that, as we had announced we would do, we could write to the attorneys general of the various provinces of Canada, and have them confer with their prosecuting officers, men who know from practical experience what should be in a law of this kind to put it into a condition that a clever defence lawyer could not drive a herd of elephants through it.

And after the bill had been in committee for that purpose for that length of time, after we had received very great co-operation and consideration from those law officers in the provinces of Canada, we incorporated all their best suggestions into the law which now appears upon the statute book. This law now reflects the judgment of the people who day in and day out are dealing with this matter. With all deference to the Senate committee or the House of Commons committee, if there is any group of people in Canada who should know what should go into a law of this kind, then surely it must be the people who have the experience and responsibility of enforcing it.

These provincial law officers made suggestions from which we drafted this section. It was very clear, when we got the bill into the Senate, and representatives of the industry came down to give testimony concerning it, that they took strong umbrage at this treatment which they said they had received. "Why", they said, "the bill that the hon. member who introduced it in the first place presented suited us very well. We were quite agreeable to that. But now that the government have come along, after the bill had been introduced, and changed it in this way, it is a terrible thing for us. It will put us right out of business"—as I believe it might tend to do, if it were enforced.

Mr. Low: Perhaps they should be out of business.

Mr. Garson: Out of this business?

Mr. Low: Yes.

Mr. Garson: No one is arguing on that score; perhaps it would be better.

Now, in this section they did not define "obscene" because it was the judgment of these practical and experienced criminal lawyers that the judicial interpretation of the word "obscene", which was the one stated by my hon. friend, was just as good as any that parliament would be likely to devise, and was all the more certain and effective because that was already the law as established by judicial decision. What is the matter with this definition?

Mr. Fulton: Does the minister not recall that, although the section dealt with other things, it dealt with crime comics as new matter, and a definition of crime comics was written into the statute?

Mr. Garson: A definition was written into the statute?

Mr. Fulton: By the bill in 1949.

Mr. Garson: Certainly.

Mr. Fulton: Why not a definition of obscene literature?

Mr. Garson: For the simple reason—

Mr. Fulton: If one has worked, why would not the other?

Mr. Garson: For the very reason that my hon. friend from Kamloops developed at some length in his own remarks today. My hon. friend said that the reason we have to redefine obscenity is that the judges back at the time of Chief Justice Cockburn did not properly know what obscenity was, that they were innocents in those days.

Mr. Fleming: He did not say that.

Mr. Garson: That was the implication.

Mr. Fulton: What I said was that they did not have to deal with the type of literature with which we have to deal today.

Mr. Garson: I would point out to my hon. friend that the reason there was not any reference to crime comics in the judicial literature, in the law books and in the statutes at the time Chief Justice Cockburn made that decision was that they did not then have this new invention of crime comics. If we were going to deal with and prohibit crime comics we had to define them in the legislation. But when one examines this definition of obscenity by Chief Justice Cockburn its great value becomes apparent. It reads:

> The test of obscenity is this, whether the tendency of the matter charged as obscenity is to deprave and corrupt those whose minds are open to such immoral influences, and into whose hands a publication of this sort may fall.

My hon. friend was much concerned as to whether medical works were obscene. To begin with, a medical work may cost $5 or $6 and hence it may not likely fall into the hands of the average adolescent or other person adversely affected by it. Even if it did, any medical work I have seen, even though it may have dealt with sex, did not handle the subject in a very amorous or erotic manner, and I do not think it would tend to deprave or corrupt.

After this law went on the statute books, a great number of complaints came to my department from those who felt strongly about the matter and who argued along the same lines my hon. friend was arguing today, that the law was defective. There would be in this or that municipality perhaps a situation where the local authorities did not want to deal with the matter or get caught between amiable booksellers, on the one hand, and those who wanted to stop this traffic in immoral literature, on the other. They did not want to become tangled in a controversy, as to the freedom of the press, between the extremists who wanted great freedom of thought, on the one hand, and those who were prepared to clamp down most severely, on the other hand. It was a very hot issue and not one which the law enforcement officers were desirous of tackling.

The obvious excuse would be, "we cannot prosecute because the law is not enforceable." I got a number of letters from various municipalities, and even some resolutions which were passed by councils after great deliberation, to the effect that the law was not enforceable and asking us to change it in order to make it enforceable. Remember this was after parliament had received my hon. friend's bill, had held it in committee for several weeks so that we might confer with the people whose advice might be the best available, and we did accept their advice in order to produce an enforceable law. Yet the whole issue is said to be still obscure to some. I should like to read as a sample a letter which I wrote to one of these municipal councils. This reads in part:

> It will be recalled that in 1949 parliament revised and re-enacted the provisions of the Criminal Code dealing with this subject. Before the revision was undertaken, we consulted the attorneys general of all the provinces of Canada, who in turn consulted their law enforcement officers in order that the revised provisions might include everything to make the new enactment more enforceable. For this reason it is felt that the new section has been made as enforceable as it can be.
>
> It will be recognized that the jurisdiction of the federal parliament extends only to the making of criminal law. We do not have anything to do with its enforcement which is entirely in the hands of the provincial legislatures of the provincial governments and the municipalities, which derive their power from the provincial legislatures. The problem is basically one of enforcement and thus far we have received no representations which would lead us to believe that the present law is unenforceable. Your council will appreciate, however, that any experiences with the application of the relevant sections of the Criminal Code to this problem in your city would be of assistance in considering this matter now.

Here is the $64 question.

> It would be of interest to know how many times in your city the crown prosecutor or the police force have laid charges under section 207 of the Criminal Code. If such charges have been laid and it was impossible to secure a conviction, it would be of interest to have the ruling of the magistrate or judge in order to consider in what respect, if any, the law might be considered to be inadequate.

How can any person, such as my hon. friend, argue that a law which has been arrived at after the greatest precautions is inadequate if no responsible law enforcement officer will take it upon himself to invoke it? I might say that I have not received a single reply from a municipality to that type of letter indicating that having attempted to invoke this law they found it unenforceable

That being the case, let us explore for a moment some of the points which my hon. friend has raised. Indeed let us examine the section itself. I should like hon. members who are interested in this matter to say in what way they think this section can be tightened up. Section 207 reads:

> Everyone is guilty of an indictable offence and liable to two years' imprisonment who knowingly, without lawful justification or excuse,—

My hon. friend says that the imprisonment is not adequate, but two years is quite a bit for selling a book.

> (a) makes, manufactures, or sells, or exposes for sale or to public view, or distributes or circulates, or causes to be distributed or circulated, or has in his possession for sale, distribution or circulation, or assists in such making, manufacture, sale, exposure, having in possession, distribution or circulation, any obscene book or other printed, typewritten or otherwise written matter,—

How does my hon. friend want to tighten that up? Can he suggest some way in which we can tighten it? I would be glad to have his suggestions, just as I was glad to have his advice when we were dealing with the bill which he himself introduced.

Mr. Fleming: What objection would the minister have to seeking the collective wisdom of and study by a joint committee of both houses?

Mr. Garson: This is the objection. When this parliament has received a bill, has considered it, has held it in committee for some weeks in order to get the best advice available, has then considered that advice and has brought forth an amendment which no person has argued with any convincing effect is unenforceable, surely the time has been reached in dealing with this evil to concentrate the forces of public opinion upon the enforcement of it, and not be wavering irresolutely in more committee discussion. Just enforce the law.

Mr. Fulton: That is an odd thing for a minister of this government to say.

Mr. Fleming: Does the minister remember that he advocated the appointment of a committee a year ago last fall when members of this house were advocating some action? What is he talking about dilly-dallying for? Surely if it is said that he wants suggestions he is not above receiving them from a parliamentary committee now.

Mr. Garson: I am not decrying for a moment the great virtues of a parliamentary committee in respect of a matter which requires consideration before a law is enacted. What I say is that when this parliament has already given it the utmost consideration, when it has enacted a law which is quite enforceable, and which no one can say is unenforceable, you are just helping out the very evil you are trying to stamp out if you do not then concentrate upon its enforcement. That is what I say.

Mr. Macdonnell (Greenwood): Will the minister permit a question?

Mr. Garson: Surely.

Mr. Macdonnell (Greenwood): The minister says, "If you do not concentrate on its enforcement." Having regard to what I imagine we all agree is the lamentable situation at the moment, does the minister not think that perhaps one of the advantages of a committee of this kind might be to arouse the public conscience which so obviously needs it?

Mr. Garson: Well, I suppose it might have some effect in that regard, but that is not in accordance with the theory developed by my hon. friend who moved the resolution today, which is—

Mr. Fulton: Certainly it is.

Mr. Garson: Just let me finish the sentence before you interrupt.

Mr. Fulton: Certainly it is.

Mr. Garson: —that he wants to set up a committee—

Mr. Fulton: I say that it is.

Mr. Garson: I will be very glad to sit down, as I always do, and let my hon. friend speak if he will just let me finish the sentence.

Mr. Fulton: You are saying that I said something I did not say.

Mr. Garson: My hon. friend said, if I understood him correctly—and he can contradict me if he wishes—that he wanted to set up this committee because he thought the use of the word "obscene" was not satisfactory. He wanted parliament to provide, for the purposes of this section, a better definition of "obscene".

Mr. Fulton: May I correct the minister? I think it is obvious that he has misunderstood my remarks. I said I was not going to be dogmatic. I wanted a committee to review the whole matter in the light of what has been described as an unsatisfactory situation and, while not being dogmatic, I said that I was going to make some suggestions. My suggestion would be to proceed along the lines of improving and perfecting the legislation; but it was not the tenor of my remarks that the committee should be set up for the sole purpose of redefining obscenity. If I said anything to give the minister that impression, it certainly was not intentional. In any event the resolution speaks for itself.

Mr. Garson: Well, but it does not speak for my hon. friend's speech.

Mr. Fulton: Oh, the minister cannot find that in my speech. The resolution says:

—a committee . . . for the purpose of . . . recommending legislation or other measures under which the growing volume of filthy literature . . . can be effectively dealt with—

Mr. Garson: In any event what my hon. friend has said is on *Hansard*, so it will speak for itself. I should like to refer to section 207 (1) (b). I had better read the beginning of the section so it will make sense. It reads as follows:

Everyone is guilty of an indictable offence and liable to two years' imprisonment who . . .

(b) makes, prints, publishes, distributes, sells or has in possession for any such purpose, any crime comic.

That was my hon. friend's bill or the substance of it.

Subsection 2 reads as follows:

Everyone is guilty of an indictable offence and liable to two years imprisonment who knowingly, without lawful justification or excuse,

(a) sells, exposes to public view or has in possession for any such purpose any obscene written matter, picture, model, or other thing whatsoever;

(b) publicly exhibits any disgusting object or any indecent show; or

(c) offers to sell, advertises, publishes an advertisement of, or has for sale or disposal any means, instructions, medicine, drug or article intended or represented as a means of preventing conception or causing abortion or miscarriage or advertises or publishes an advertisement of any means, instructions, medicine, drug or article for restoring sexual virility or curing venereal diseases or diseases of the generative organs.

Subsection 3 reads as follows:

"Crime comic" means in this section any magazine, periodical or book which exclusively or substantially comprises matter depicting pictorially the commission of crimes, real or fictitious.

(4) No one shall be convicted of any offence in this section mentioned if he proves that the public good was served by the acts alleged to have been done, and that there was no excess in the acts alleged beyond what the public good required.

(5) It shall be a question for the judge whether such acts are such as might be for the public good, and whether there is evidence of excess beyond what the public good required; but it shall be a question for the jury whether there is or is not such excess.

(6) The motives of the accused shall in all cases be irrelevant.

(7) It shall be no defence to a charge under subsection 1 that the accused was ignorant of the nature or presence of the matter, picture, model, crime comic or other thing.

My hon. friend will recall that when this new section was brought down after we had conferred with the attorneys general of the provinces his colleague, the hon. member for Lake Centre (Mr. Diefenbaker), criticized this legislation as being too tight and too tough, and said that if we left it in that form juries might acquit in protest against it.

Mr. Browne (St. John's West): May I ask a question? Is there any change under the revised Criminal Code? I have been reading the section and it is substantially the same, but it does not speak about everyone being liable on indictment. Is there any change with regard to the manner in which a case would be heard.

Mr. Garson: I have not examined the new provisions with that in view, but I think not. My offhand view would be that there is no change at all, because the purpose of the consolidation of the code was in general to consolidate it but not to change any of its principles. There was no occasion for changing this section 207. Suppose we set up this committee and it considers the matter. Can my hon. friend suggest any other better consideration by the committee, if they have any doubts whether this word is adequate, than that they should go back to the crown prosecutors of the various provinces and get another set of opinions from them? They are the ones who have had practical experience. If they do not know what an enforceable law is, who else is more likely to know? I suggest that when we have this law, when so far the enforcement authorities have not seen fit to invoke it to the extent that they should, the thing we should do now is to bring the pressure of public opinion to bear in favour of its being enforced. Then if it appears that there is any doubt as to the efficacy of this law, that will be the time it will be worth while for us to have the matter considered by a parliamentary committee.

At the present time, as I think perhaps my hon. friend is aware, there has been a prosecution in the courts in Ottawa and there has been a conviction.

Mr. Fulton: It is being appealed.

Mr. Garson: Oh, yes, quite. I should like to read from the judgment given by the trial court in that case. I have to be careful in doing so because the matter is still sub judice. However, I am not in any way questioning the judgment. As it happens, I entirely agree with it; I simply want to refer to it to see whether there is this great difficulty to which my hon. friend refers, as to the judge deciding on the facts of the case before him whether the material in question is obscene. Here is what Judge McDougall says—

Mr. Fulton: I admit this judge found no difficulty in this case.

Mr. Garson: Not the slightest.

Mr. Fulton: But there are many the other way.

Mr. Garson: First of all, did he have any difficulty in reaching an opinion, having regard to the fact that the section only mentions the one word "obscene" or "obscenity", as to what meaning should be given to that word? He says:

> The rule as to the interpretation of the word "obscenity" in the statute has been well stated as: 'The test of obscenity is this, whether the tendency of the matter charged as obscenity is to deprave and corrupt those whose minds are open to such immoral influences and into whose hands a publication of this sort may fall.'

In other words, the interpretation given by Chief Justice Cockburn is still quite good law and has been recognized as definite and clear; and in my view we are lily-gilding if we attempt to disturb it in any way.

He says further down:

> I have read the volume carefully.

This was "Tragic Ground" by Erskine Caldwell.

> I can see little, if any, public good that can be accomplished by the distribution of this book to the public at large. In any event the language of the book and the description of the characters and of their actions is greatly in excess of anything required for that purpose.

Here we come to the complicated question my hon. friend is talking about—the matter of deciding whether the book in fact is obscene or not—a matter said to be of great complexity, of great difficulty. However, the learned judge disposes of it in—I have not counted the exact number—but about twenty-five words. He says:

> In my opinion the tendency of the book would be to deprave and corrupt many of those into whose hands it would fall.

I would suggest, Mr. Speaker, having regard to the fact that this is probably on its way to becoming a leading case—I am told quite unofficially that the intention is to take it to the Supreme Court of Canada—that before we start dealing further with section 207 of the code we should find out whether this section, which was drafted with great care after consultation with all the attorneys general of the provinces, whose responsibility it will be to enforce it, and which has been affirmed in this judgment, is or is not good law, and enforceable. If it does not hold, that will be the time for us to give further consideration to the matter.

Mr. Fleming: Would the minister permit a question?

Mr. Garson: May I finish this sentence? I do suggest, and I think my hon. friend from Eglinton who is rising to his feet will probably agree, that it will be a matter of very considerable difficulty for a parliamentary committee, interested in what my hon. friend indicated is certainly one of the reasons for setting it up, to themselves arrive at a proper definition. I do not think the parliamentary committee will be able to discuss properly and with sufficient freedom a case of this sort which is sub judice. Why get into that difficulty unnecessarily, especially when we do not need to do so, in order to enforce this law just as it is throughout the length and breadth of Canada in any municipalities where the law enforcement officers may wish to do so?

For that reason I think we would be well advised not to consider changing this law, that has been so carefully drafted, until this case has gone to the Supreme Court of Canada and we know from it that the law is not enforceable.

Mr. Browne (St. John's West): May I ask the minister how long he expects that to take?

Mr. Garson: I do not know that I can help my hon. friend too much in that regard. A great deal depends upon the perseverance and pressure which the appellant puts upon his appeal. If he desires to get it before the supreme court quickly it will be one period of time. If on the other hand he wants to drag it out a bit, it is possible within limits to do that. It would have to go from the court that decided it to the appeal court of Ontario, and then appeal would be taken from that court to the supreme court.

Mr. Browne (St. John's West): A couple of years.

Mr. Garson: I do not think it would take a couple of years. It might take a year at the outside. In the meanwhile the law is good; and, in the meanwhile, as long as it is sub judice, neither parliament nor the Senate nor the committees thereof can discuss it. So what purpose would there be in sending it to a committee? The case we are discussing is a main case in issue in Canada today in connection with this matter, as I am sure my hon. friend from Kamloops will agree.

One point my hon. friend raised was, I thought, a very important one, and I am glad it led him to the view that censorship should not be attempted. Censorship I think, and I believe he will agree with this, can only be conducted in relation to specific documents or paper writings which are before the board of censors or before a judge in court as a censor. That is one of the difficulties and one of the reasons, I think, why the attorneys general did not want to attempt to define "obscene" or "obscenity" in the statute itself. It is extremely difficult, if not impossible, for any legislative body by

language put into a statute in relation to literature generally, to provide a satisfactory and workable prohibition of written or other material which the legislature has not before it. If one attempts to classify these things the way my hon. friend suggests, in order to say this is permissible and that is not permissible and so on, surely that is a very difficult thing to do in the abstract without any concrete example before one. It is hard, as I think my hon. friend will admit—and that is part of his case—for the judge to decide whether or not a document or magazine in front of him is obscene. How infinitely more difficult it would be for the legislature in relation to unseen material to define adequately what was prohibited and what was not prohibited.

That is one of the reasons why I think this parliament very wisely accepted the recommendations of these law officers in just relying on the word "obscene" which, at the time it was suggested, had already been interpreted by Chief Justice Cockburn in the judgment to which reference has been made. For example, a certain subject dealt with by Shakespeare or Goethe or in a scientific thesis may be unquestionably not obscene. The same subject dealt with in this trash which is sold at the book stores at 25 cents a book may be unquestionably obscene. It is the same subject matter in both cases, and whether it is obscene is just a question of difference in treatment. The obscenity or otherwise in each case is a question of fact which has to be decided either by a board of censors or by the judge in a prosecution on the facts before them.

My submission is that this question is not to be decided fairly on any abstractions or general definitions in a statute. In the light of that fact, my contention, and my reason for suggesting that this motion should be voted down, is that there is nothing vague in section 207 (2) when it provides that:

> Everyone is guilty of an indictable offence and liable to two years' imprisonment who knowingly, without lawful justification or excuse (a) sells, exposes to public view or has in possession for any such purpose any obscene written matter, picture, model or other thing whatsoever;

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I think we should be grateful to the hon. member who has raised this question this afternoon. I believe he should be congratulated on the care and work which he has devoted to it over the years.

I am a great respecter of the power of an informed public opinion. You will notice that I include the word "informed". I think the hon. gentleman, by interposing this matter into the business of this house, has taken advantage of one of the methods by which public opinion can be so informed. We are creatures of habit, and we get into ways of doing things and into ways of reading things. I think it is a good thing that once in a while someone should stop and say: Let us consider the way in which we are going.

Personally I am inclined to look upon this resolution with some favour. It is at least innocuous in that it does not create any prohibition, and the best or worst that its implementation could mean would be the setting up of such a committee as the sponsor proposes. I cannot enter into the legal niceties indulged in by my learned friends, but I have followed the argument with some interest. I am more interested in the problem from other directions.

I was interested in the minister's statement that an informed and active public opinion would be the most compelling reason for the enforcement of the legislation which now exists. I believe his statement went something like this: Is it not true that those who have as their task the enforcement of such legislation are those best qualified to deal with this matter of deciding which of these things are obscene? I am somewhat worried about that statement. I wonder if the minister would apply it to the question of those who censor the literature entering Canada. Would he suggest that in such censorship as we have, if I may call it that, the customs officers along the United States boundary are the ones best qualified to judge what books shall or shall not be admitted to this country? I am aware that the customs officials, when in doubt, have an advisory board to which they can submit these books for reading and consideration. I know that censorship board is there. I am not going to branch into that today, because I have dealt with it once or twice before.

However, I am of course keenly conscious of the quantity of salacious literature that inundates our country, and our homes, today. I am perhaps almost as concerned about what I might call the silly and pointless reading as I am about the salacious variety. You will find some of this in the drugstores, although it has been a mystery to me why drugstores sell all these things as well as drugs. This literature is found in stationery shops, and the like, as well.

I am even more concerned, I think, about the lack of good reading which is displayed in these same places. I could not help but contrast conditions in Britain in this regard during a visit there a year or so ago. I am speaking of the availability of good books at prices which young people, or even most people, are able to afford or are prepared to spend for that sort of thing. If we are going to get people to read, we have to have reading matter available for them.

The unfortunate part of it is that this salacious reading matter is available in large quantities. It is practically ubiquitous across the length and breadth of this land. The only cheap reading material—no, that is not fair—most of the reading material that is available to us at reasonable prices is material of a poor and even harmful character. I am glad the hon. member put these words in his resolution:

—without at the same time improperly restricting the freedom of the press or of genuine literary or artistic expression.

As I believe the members of this house must have noted, during my period here I have been especially anxious about the preservation of intellectual freedom in the pursuit of truth. I would reject out of hand any form of censorship that would interfere with that freedom. Let that be basic and fundamental to the understanding of my feelings in regard to the question.

There is a matter, of course, of prohibition. Unfortunately, it does not seem to be successful; but if it were I doubt that I would be in favour of it whether it be the prohibition of liquor or of reading material. I voted for the prohibition of liquor once, but I do not know what I would do the next time. I was not very successful in my effort to stamp out that particular evil. As a parent and as a former teacher I have watched with some interest the effects of prohibition. If you want a little lad to smuggle a book off the shelf and read it in bed, the best way is to tell him not to do it. Perhaps hon. members will tell me that their children have been better behaved than mine, not that I consider we have made such a bad job of it. I have to say that publicly in case I get into trouble at home. I would suggest that it is a good thing to have lots of reading material available of the type you would like to have the little fellow take up and read in bed. In other words I am suggesting a positive rather than a negative approach to this whole matter.

Although the minister did not state it in these terms, I believe he is partly right in his argument when he says we have to pin our faith on education and other means of promoting public taste.

Mr. Browne (St. John's West): There is more education now than ever.

Mr. Knight: I do not want to be diverted. Reading habits are just that; in other words, they are habits; and as I understand it and as I have been told, habits are formed by the repetition of acts. I do not like to use the term "good", but if a young boy has an opportunity of reading material that is good or of getting a selection of reading material that has literary value, if you like, then I do not think we need to worry about his ultimate rejection of the filthy and the foolish. Educators, newspaper editors, publishers and such people, whom we expect to be well informed and good citizens of our country, I feel have some responsibility. I believe they should acknowledge and assume that responsibility. Some of them, of course, disagree.

I recall talking to quite a prominent editor of a well-known newspaper about this very subject. I was suggesting to him that the editors of newspapers have certain responsibilities. I think we were talking about the cultivation of public taste, and I was surprised at his answer. I have been told that newspapermen have a reputation for being "hard-boiled". If I may say so, he certainly did not lessen that opinion. I asked him, "Do you think it is the business of an editor to give to the public just what the public wants, or do you think he has any responsibility in the matter of promoting and refining the public taste?". I have never forgotten the answer. He said: Sir, I am not running a Sunday school, and the shareholders expect dividends". Well, I suggest that a growing public indecency and a depraved public taste are pretty heavy penalties to pay for the attainment of those particular dividends.

I shall simply conclude by saying that if somehow or other we could take the profit out of filth, it would tend to disappear.

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, may I be permitted to say a few words on this subject, as I did on the presentation of the bill on crime comics, introduced by the same hon. member for Kamloops (Mr. Fulton). Of course, if anyone thinks a law can do away with or solve this problem he is greatly mistaken, because a law could never be enforced to such an extent as to stop any individual from obtaining one or two of these filthy books. A law of the kind advocated by the hon. member for Kamloops could help, and a committee of both houses could help, but it would not be the solution of the problem, I am sure.

There is one thing everyone knows, namely that obscene literature is something like the microbes in the physical organism. They are not very large; they are small, and they are introduced very surreptitiously into either the intellectual or moral organism, but the wounds that these kinds of microbes make in that organism are much more dangerous and much harder to heal than any physical wound, because the wound is moral and intellectual instead of being physical. The field of action of those microbes is vast because they act on the wit, on the mind, on the heart and on the soul.

Unhappily our world has been going steadily toward materialism. This world of ours is much more interested in trying to heal the physical or economic wounds than it is interested in trying to heal the moral or intellectual wounds.

When we discussed the other bill on crime comics I received a number of letters and requests from my county asking me to support this kind of bill, and asking me to do my utmost to oppose any spreading of those crime comics. I am sure that all these associations in my county would use the same words, and stronger words perhaps, to tell me that I should come back and support any move toward stopping the spreading of this obscene and pornographic literature. That is what I am doing this afternoon. I am sure that the farmers' associations of Deschambault, Cap Sante, Les Ecureuils, St. Marc des Carrieres and Ville Montmorency would be ready to support me in my contention this afternoon as they did when I spoke on the crime comics bill.

It has been said this afternoon that a committee of this kind sat in the Senate last year. I doubted that I could quote any words used in that committee, but after consultation I was told that I could quote from the minutes of evidence given there, which I shall now do. I notice that at the first meeting of this special committee on the sale and distribution of salacious and indecent literature testimony was given by Father Gay. He was the representative of a religious organization in the diocese of Ottawa. I should like to be permitted to quote a few words of his testimony given under his first heading "Moral standards" and his second "The intellectual standards". Father Gay had this to say:

> The law (section 207 of the Criminal Code) also aims at magazines usually featuring provocative nudes and carrying erotic articles.
>
> But it does not aim at magazines, reviews or books, which, incidentally, include the odd voluptuous description or lewd picture, or which are known as "vulgar".
>
> Nor, as a rule, do art publications come under the ban. But they should display authentic art and there should be no doubt that it was not the intention of perverting which prompted the publisher's choice. Moreover, they are not meant for children.
>
> If that is obscenity, is it exaggerated to state that one-third of all magazines sold in Canada are obscene?
>
> Evidently, it is an easy task to publish and to sell magazines appealing to man's lower instincts. It is a much more difficult one to produce a wholesome and interesting magazine.

He is quite right in saying that. I continue:

> Retailers who try to go against the current are carried away by what one might call the magazine trust; they are not free to make their own choice and their conscience protests.

Obscene Literature

> Then there is the effrontery of those who republish, in Canada, pocket books whose entry into this country is forbidden by the Department of National Revenue. That is nothing but cynicism.
>
> The hon. senators' attention should also be drawn to those "novelties" imported from Japan or elsewhere; these are often indecent.

Under his second heading dealing with intellectual standards he had this to say:

> We must not be content with supervision and control; that is a purely negative approach. On the contrary we must make it a point to give publishers and their collaborators an exact idea of the lines along which they must work to renovate and make more wholesome published material of all kinds.

To achieve this end Father Gay made the following suggestions:

> (1) Illustrations and text should respect science and natural history, and not be altogether contrary to verisimilitude. This desirable result can be achieved through intelligent effort much more than by force, by tending to dignified and unselfish ends, far removed from vulgarity and coarseness, from scenes of horror and torture, in the description of a peaceful and honest life.
>
> (2) Characters should be endowed with a minimum of psychological verisimilitude; they should not be mere robots.
>
> (3) Human life should be respected. The guilty parties should be punished by due process of law, and not by the whim and fancy of the hero. Tracking down the villain should not be a sport but an ideal.
>
> (4) Dishonest persons should evoke pity or contempt, never sympathy.
>
> (5) The text should be well written so as to bring the child to turn, little by little, from comics to books.
>
> (6) The general tone of magazines should be optimistic and pleasant.

These are the suggestions he makes with respect to moral standards as well as intellectual standards. In quoting Father Gay I am quoting a man who has been giving more than second thought to the whole problem of morality, which is the real problem in this particular situation with the spreading of morally obscene and pornographic literature. Then there is the evidence of Mrs. Gould, a lady who appeared before the Senate committee. I find at pages 43 and 44 she was questioned by Senator David, and that the discussion ensued in this way:

> Hon. Mr. David: Well, what have been the reports of the teachers in the schools as far as the influence of these books, radio programs and the rest, is concerned?
>
> Mrs. Gould: I would say, from my own personal viewpoint, I feel that since I was a teen-ager and a young person growing up, we have degenerated, and to a great extent. I really believe that.
>
> Hon. Mr. David: Do you put the fault on the insanity of the century in which we live, or the insanity of the home itself?
>
> Mrs. Gould: You are asking me personally now?
>
> Hon. Mr. David: I am asking you personally.
>
> Mrs. Gould: That is, just my personal opinion?
>
> Hon. Mr. David: Yes.
>
> Mrs. Gould: Well, I will put it down to the decay, or the insanity of this age we are living in; secondly—and I hope I won't be sued for this—

to the laxity of the government to find out and make certain that the customs department is conducted in such a manner that these things cannot be brought in from other countries. I also would put it down to laxity on the part of our parents—a lot of the parents—certainly not the teachers, but a lot of the parents, and I would not blame them too much, because of the strain of two world wars coming so close together, and the need of mothers, in order to make ends meet, going out to supplement the family funds to keep body and soul together. Of necessity these mothers, with the fathers overseas, had to leave the children to secondary care, to the care of others who certainly would not have such personal interest. I think every one of us is to blame to some extent for what has been allowed to happen, and I believe that every one of us some day will be held responsible if anything happens to our youth.

From that testimony I conclude that Mrs. Gould was telling the Senate committee that the problem is one for the individual; that it is not only a problem for the government, not only a problem for the different associations gathering force to fight the spread of obscene literature, but that chiefly it is the problem of the individual to look into the matter, to face it, and to try to solve it to the satisfaction of his own conscience.

Then I have here the testimony of Miss Charlotte Whitton, as it is reported at pages 57 and 58 of the proceedings. Appearing before the committee Miss Whitton said this, speaking of the spread of this kind of literature in some provinces of Canada:

I may say that one part of the more detailed knowledge which led to my more determined interest in the matter was gathered in the trial through which I passed in the province of Alberta in 1947 and 1948. The charge of conspiracy to libel, which was levelled against the editor of "New Liberty" and the publisher, and against myself as providing the basis of the story in question, brought into evidence there material which I think would be of value to this committee in regard to the tight control of the distribution of periodical literature.

She is speaking here about the control of that kind of literature.

I suggest that you might apply to—I imagine it would be—the registrar of the supreme court of Alberta for that evidence, because it showed how the avenues of distribution were controlled and in fact dictated right down into the smallest villages in which books or periodicals were sold at all. It also showed that right from the lakehead roughly to the Pacific coast there were only about—if I recall correctly—either five or six outlets. The area was zoned. For instance, if a dealer in Wetaskiwin, Alberta, were carrying so many of one of our own monthly magazines, so many of our fortnightlies, so many of our weeklies, and were carrying different United States periodicals, weeklies, all of a reputable character, then he must handle a certain proportion of what we would call undesirable literature and a very large proportion of pulp magazines.

Miss Whitton says, in effect, that the government has to be most careful. Listening to the minister a few moments ago I noted that he had written to all the attorneys general of the different provinces of Canada. On that account, the attorneys general in Canada—and this is my personal view—should give more than a second thought to the matter, and should do their utmost to help in the observation of the provisions of the Criminal Code by dealing with the distribution of this literature. They should attempt to stop the underhanded process of distribution which places this filthy literature in the hands of our people, provided that the interests of the dealers are protected in their sale of reputable publications. The dealer should have the right to suspend the sale of certain books from his store.

That is one part of the problem to which Miss Whitton made special reference. Then I have here the publication of the Saskatchewan library advisory council. This document is dated November 25, 1946, and in it is set out a division of the kinds of undesirable periodical literature. I place this on *Hansard*, not through any desire to stand in the House of Commons and speak, but because I wish to place before hon. members certain facts in connection with this problem.

This document describes the different types of undesirable periodical literature as follows:

(1) Salacious and pornographic literature.

(2) Low-grade fiction magazines specializing in love, crime and western stories. (Sometimes called "pulp magazines".)

(3) Confession magazines.

(4) Movie magazines.

(5) Comic strip books.

In the same brief I find an opinion set out in the Chicago *Daily News* in 1940, as quoted in the *Journal of Educational Psychology* for December 1944, at pages 193 and 194. It states:

Badly drawn, badly written, and badly printed, a strain on young eyes and young nervous systems—the effect of these paper-pulp nightmares is that of a violent stimulant. Their crude blacks and reds spoil the child's natural sense of colour; their hypodermic injections—

And he is quite right in saying that.

—of sex and murder make the child impatient with better though quieter stories . . . The shame lies largely with the parents who don't know and don't care what their children are reading. It is with the unimaginative teachers who force stupid, dull twaddle down eager young throats and, of course, it lies with the completely immoral publishers of the "comics"—guilty of a cultural slaughter of the innocents.

If there are quotations which deal with the wax-like minds of our children, there are others which I cannot support because they express the kind of philosophy—I shall not say I hate it, because one must not hate anything—but the kind of philosophy I am always ready to fight against. Dr. Lauretta Bender of the psychiatric division of Bellevue

hospital and the New York University medical school has this to say:

> Normal well-adjusted children with active minds, given insufficient outlets or in whom natural drives for adventure are curbed, will demand satisfaction in the form of some excitement.

That is the opinion of Freud, a man who has had great influence in modern times.

> Their desire for blood and thunder is a desire to solve the problems of the threats of blood and thunder against themselves or those they love, as well as the problem of their own impulses to retaliate and punish in like form.

I do not agree with that way of looking at the minds of our children. I admit that this problem is most difficult to solve, and it will demand the co-operation of all men of good will. But I believe I am right in saying that the problem is one of the re-education of the individual. Of course the law can help, different organizations dealing with that kind of danger can help, but I repeat that it is a matter of the re-education of the individual. That is what we need first and above everything else. The law will help, the various associations of educators, parents and social workers will help a great deal, but they must focus their attention not only on the different ways of checking the printing and distribution of obscene literature, but on the betterment of the individual both on the intellectual and moral levels.

Most of the time the failure is not to be found in the law but in the lawbreaker. Hence the necessity of enacting a law against this kind of literature that will be airtight. The law against immoral literature or motion pictures can never be too severe because the mind of the individual is more precious than the profits of the publishers or producers, or the taxes or duties these flourishing businesses may bring into the public treasury.

The country should have very conscientious censors. I am not ready to say that we should not have censors, that we should rely entirely on the Criminal Code to prevent the ill effects of this kind of literature. The law can help, but there must be something done outside of the law because, as I repeat, there will always be lawbreakers. So we should have conscientious censors whose philosophy of life is something better than that of giving priority to sex influences or denying the rational difference between right and wrong, between good and evil.

When discussing another matter in this house I was asked what it was that told me what was good and what was evil. Something tells me what is good and what is evil; I do not need any law to tell me that. But everything possible must be done for the betterment of the individual on the moral and intellectual levels of our Canadian society. That is why I say that if we have some body or organization controlling the spread of this type of literature it should be, as we say in French, trier sur le volet.

Our world of today has lost or at least forgotten the necessity of having a moral standard. Material values have priority over intellectual and moral values. As the world is composed of individuals, if we are to correct these conditions we must start with the individual. There is no doubt that the producers of filthy literature envisage the profits they expect to make as being above everything else. They are directed by a certain amount of psychology, and give to their readers what they want. They are oblivious to the moral dangers their books are bound to create and develop to the point of disaster. All they want is financial success. They cynically display immorality in their books. If I were speaking on the subject of modern philosophy I would gladly express the same ideas and give the same warning. It is astonishing to realize to what extent obscene literature cohabits with the philosophical theories I mentioned previously.

When these people are cornered by sound reason they reply that it is progress, that our world is no longer bound by medieval taboos, and they continue in their foolish way. Patriotism is likely to suffer as much as moral values if we do not wake up to the danger ahead. Will loose morality, which believes that anything is right provided one is not caught, make for a strong, disciplined and stable nation? Will pornographic literature develop devotion and sacrifice for the welfare of our compatriots and the grandeur of our nation? It cannot, because this kind of intellectual food debases human beings. Our people must look always higher and higher if they are to stick to their ideals.

The problem is a hard one to solve, but it can be solved if all those of good will are ready to go to work immediately. In reading a book by Monsignor Fulton Sheen I found something in the beautiful pages he has written that I should like to place on the record. He understands the problem of the modern world. He sees the problem exactly where it is, in the individual. Here is what he says:

> The repeated use of the word "crisis" in reference to morals is interesting, for it reveals a tendency on the part of many modern writers to blame the abstract when the concrete is really at fault. They speak, for example, of the problems of crime, rather than of the criminal; of the problems of poverty, rather than of the poor, and of the crisis in morals, when really the crisis is amongst men who are not living morally. The crisis is not in ethics but in the

unethical. The failure is not in the law, but in the lawbreakers. The truth of this observation is borne out by the failure of such writers to distinguish between the problems of making men conform to standards and that of making standards conform to men. Instead of urging men to pass the test, they alter the test. Instead of inspiring them to hold to their ideals, they change their ideals. In accordance with this logic, they urge that morals be changed to suit those who cannot live morally, and that ethics be changed to please those who cannot live ethically. All this takes place in accordance with the democratic principle of certain philosophers who are prepared to construct any kind of philosophy that man desires.

I repeat that some kinds of philosophy and pornographic literature cohabit together very easily. Monsignor Sheen continues:

If men want ghosts, the democratic philosophers, who know the will of the populace, will write a philosophy justifying ghosts; if the man in the street wants to follow the line of least moral resistance, philosophers will develop for him the justifying philosophy of "self-expression"; if the man of affairs has no time for the thoughts of eternity then philosophers develop for him the philosophy of space-time. There are ultimately only two possible adjustments in life.

One evidently is good and the other bad. Monsignor Sheen continues:

One is to suit our lives to principles; the other is to suit principles to our lives. If we do not live as we think, we soon begin to think as we live.

May I add that if the population reads obscene or pornographic literature it soon thinks that way. The problem is well stated by Monsignor Sheen. The individual is to be changed and made better. The situation calls for more than law, more than the gathering of these organizations to which I referred before. It calls for a regular and real crusade of men and women of good will. If we win the victory the effects will be far-reaching, and peace in the mind of the individual will inevitably bring peace in society and in the world.

The effect of the discussion this afternoon and the effect of the barring of this literature to the Canadian public will be far-reaching, because it will bring peace in the individual, in society and in the world. I think we should do everything possible to help those who want to set to work to stop the spreading of the moral and intellectual microbes which develop and create wounds a lot deeper than the physical wounds that medical men are trying so ardently to cure.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, in rising to make a few comments on the resolution, I think perhaps I am motivated chiefly by two reasons. First of all, I want to do anything I can to support the resolution of the hon. member for Kamloops (Mr. Fulton), to whom I think the members of this house owe a great deal for having brought this matter up, just as a few years ago he brought up a somewhat kindred subject. Incidentally, I draw attention to the terms of his resolution which are not rigid or inflexible. I am sure that his whole attitude on the whole question is flexible.

Perhaps my second and biggest reason for wanting to say a word is an incident that happened last summer when I was making calls in my constituency. The mother of some teen-age children spoke to me about this question, and she practically extracted a promise from me that if the matter ever arose I would have something to say about it. Therefore I am going to have something to say today.

It is an advantage, I think, that by no stretch of the imagination can this be a partisan or party question; and while we get a certain amount of relaxation out of the cut and thrust of party questions it is also a satisfaction for the moment to be able to relax and feel that we are all concentrating on the matter single-mindedly.

Of course it is true, as the minister implied—I do not know whether he actually used these words—that there is not enough initiative throughout the rank and file of our citizens to set the law in motion. I was reading that great lawyer, Dicey, the other day, and he points out that the difficult thing is not so much to get measures on the statute books as to devise the method of enforcing them. I make one suggestion. We are apt to take these things rather lackadaisically, but I am quite sure that if I could fill this house with the parents of teen-age children we would not be lackadaisical about it. I am quite sure that if by some magic we could make the parents of teen-age children the censors of this kind of thing, an enormous amount of this sort of literature would disappear overnight.

The minister has said that the legislation is all right, and I must confess that I found myself rather persuaded by his suggestion that the definition itself, the key words of which are "a tendency to deprave and corrupt", was not a bad one. But I submit, Mr. Speaker, that, however readily we accept the view of the minister that the legislation is all right, we only need to go to a railway newsstand to realize that the law might as well not be on the statute books, or virtually so. I know that in one way that is not the responsibility of this house. Our criminal law can be set in motion by the law officers of the provinces and by individual initiative. I know something about that, and I know therefore that in a way the minister has an alibi.

I want to say also that I am sure the minister is just as keen to remedy the situation

as the rest of us are. However, the fact remains that the evil is there, and the hon. member for Kamloops indicates to me that the bulk of this kind of literature is growing. Since the debate began I got in touch with some library authorities, and my conversation was both depressing and in a sense reassuring. I found what were to me some rather astounding figures about the kind of literature that is read by little children. As shown in the review to which I was referred, 95 per cent of boys and 91 per cent of girls from six to eleven read twelve to thirteen comic books per month. I am not suggesting this is filthy literature, but I am suggesting it is trivial literature which cannot possibly do them any good, which must distract their minds, and of course it keeps good literature away from them. That is the other side of it.

In the ages from twelve to seventeen 87 per cent of the boys and 81 per cent of the girls read twelve to thirteen comic books per month. Apparently as we grow older we grow a little wiser and we do read less of such literature. At the same time it was reassuring to be told by the librarian that due to the work of home and school clubs and other such organizations the reading of better books is increasing. That is the experience of the Ottawa library, and that was reassuring.

I come back now to the resolution and to one practical point that has struck me this afternoon, and which I want to put to the minister. I am not very well informed about this matter and if the minister wishes to correct me at any point I shall be very glad. I gather from what I have learned this afternoon and from what the hon. member for Saskatoon (Mr. Knight) tells me that actually, though various references were made to censorship as if it were an unspeakable thing which we could not have—and I know it is full of difficulties—we have virtual censorship, or are supposed to have, of this kind of thing coming in from the United States. The minister does not correct me, so I go on.

If that is so, then it seems to me we have accepted the principle of censorship to a degree. The only question is whether we are going to have good or bad censorship. I am told that the censorship on this literature coming in from the United States—and I want to use moderate words—is, to put it mildly, ineffective. I am told that it is ineffective for two reasons. First, if you come to one customs office and they show some signs of not letting it in, you just take it along to another and it gets through there. I am told, and I have no reason to doubt it, that the administration is not very tight. I do not know whether it rivals the orgies of cigarette smuggling that we were told about, but there is a lot of smuggling in that sense of this kind of literature. I am also told that we have not taken the business of censorship seriously in that we have not sought to have people who might be considered by education and experience to be capable. We have not taken pains to get that kind of person in the censoring business.

Now, Mr. Speaker, I know how difficult censorship is. I read the statement of a United States judge to whom some allegedly obscene books had been submitted. He dismissed the charge and practically said—and I want to paraphrase or summarize it fairly —that in matters of obscenity it is a matter of rugged individualism; that you could not have a standard. I think that is not an unfair summary of what he said. Well, Mr. Speaker, I do not accept that. We look back to the Victorian era, which we now hold up as a travesty of common sense. We look back to what we regard as a very silly procedure where they even swathed the legs of the piano. As I say we have been building a travesty of it; nevertheless, while we have moved a long way forward materially from that era, I wonder if we have moved a long way forward in others. I wonder if we have not created a vacuum which this utterly worthless literature fills while serious literature is so often wanting.

I come back to the resolution, Mr. Speaker, and my statement which I believe to be true. As I said, anyone who goes into a railway station and sees what is there is offended beyond words. I would leave it to any group of censors appointed in this house to go to one of those railway newsstands, and I venture to say that it would soon look like the shelves of the library, empty after the fire, by the time they were through, and there would not be much difference of opinion among them. Certainly that would be so if my friends, the parents of adolescent children, were allowed to go in there. Carrie Nation used to smash up saloons with her axe, but she would not be a patch on what they would do.

I have talked perhaps rather vehemently about this, but I feel strongly about it. I also feel strongly about the difficulties, as I do about the problem. I say again that I am sure there is not a man in this house more interested in the matter than the minister but I do feel that somehow those in responsible positions ought to be in a better position to say how a public opinion which will support the law is to be created.

I hope the minister, either today or on some other occasion, will say something about this question of censorship, because we have it. Apparently we have a worthless or

almost worthless censorship; and I am asking why, if we have accepted the principle of censorship, we should not have good censorship. Why should we not take a lot of trouble about it? It is full of difficulties, I know. You have the intellectuals who come in and try to dispose of the matter by saying that we should have no censorship of any kind. Well, I will face the intellectuals. I will not necessarily answer them on their level but in—

Mr. Fraser: Army language.

Mr. Macdonnell (Greenwood): We do not use that in parliament here, although we have all read about swearing like the army in Flanders, and no doubt the soldiers were very proficient in that line. However, I come back just to repeat that I do not believe anyone in this house would deny that there is a problem which cries out to be dealt with. It is not satisfactory to say that nothing can be done and that we must just wait for a year or two while lawyers argue the question in the Supreme Court of Canada.

Mr. O. L. Jones (Yale): Mr. Speaker, I rise to express my viewpoint on this bill. I am heartily in support of any effort to improve the literature in this dominion. I feel that any support we can give this bill should be given, although I realize the difficulty of enforcing an act requiring booksellers to refuse to stock obscene literature. At the same time I think we could start by cleaning our own house.

The most obscene literature that comes to my desk comes from the other place in the form of divorce evidence. I think if we are sincere in this we should be quite honest about it and cut that out. Nothing sold in any bookstore in this or any other town equals that evidence under the term of obscene literature. If we are sincere in this let us enforce the act and provide good books for the youngsters who are now being satisfied with this type of trash.

For fourteen or fifteen years I was chairman of the Okanagan union library, and we have developed a circulation covering several hundred square miles, including numerous towns and villages. At the present time we have 96 outlets for our books, in schools, libraries and by van. I found that as we were able to get money to purchase more books the children took more and more of them out. However, we find difficulty in meeting higher costs of books for the larger number of outlets. From time to time we have sought assistance from the various governments, but they are reluctant to assist libraries of this type. I do feel that the dominion government should enter into the field of supplying good literature to the people of Canada—both adults and children—by subsidizing any well-established library that is endeavouring to give this service.

Instead of trying to change children by closing an avenue for certain books, let us give them an opportunity to get good books. I believe the day has come when the federal government must subsidize, through the provincial governments, municipalities or district libraries, a system of that nature to replace what is a growing menace to the minds of our young people in Canada. If we do not do anything we shall stand condemned as being indifferent to their thought processes during their teen-age or younger years.

I do not like to take your time to deal with what I have in mind regarding subsidies, but I think you all realize that in smaller areas and rural areas where the taxes for libraries are based on the land, they are objecting to that tax. The objection is not so much that it is for the libraries but because the land, especially in British Columbia, is already bearing too heavy a burden. For that reason I would ask the national library or the government of Canada to provide books in large quantities—children's books, good books—and circulate them on loan through rural and urban libraries, allowing for distribution among the children. They would then be the censors and they would be filling a gap that needs to be filled if we are to prevent the distribution of obscene literature.

That is all I have to say, Mr. Speaker.

Mr. W. G. Dinsdale (Brandon): Like the hon. member for Greenwood (Mr. Macdonnell), Mr. Speaker, I enter this debate because of a vital interest in this topic. For the past few years this matter has been discussed among groups of young people with whom I have met, and I am under an obligation that whenever there was an opportunity in this chamber to discuss the subject I would try to present my personal viewpoint. I want to congratulate the hon. member for Kamloops (Mr. Fulton) for providing this opportunity this afternoon, because the resolution deals with a pertinent problem in our dominion at the present time.

There have been various attempts during the discussion, which has been quite dispassionate and objective, to place the responsibility for a situation that is all too obvious. We need only look at the bookstands and newspaper stands in our own communities to be aware of the fact that there is a problem. Various speakers this afternoon endeavoured to place the responsibility for this situation. Speaking in broad terms, I believe

the situation arises from the fact that it is possible to commercialize the publication of pornographic literature today. There is a market for that literature, and as long as there is a market of course there will be authors, publishers, distributors and retailers who will be interested in exploiting the market. If I might generalize, I think I would place the responsibility directly on the purchaser, because it is the purchaser who provides the market for this type of literature.

It is a long-established truism that biographies of sinners have always tended to be better sellers than the biographies of saints. Judging by the tremendous turnover in obscene literature and pulp magazines of the pornographic variety, it would seem that a great many people want it that way. They are willing to buy; they are interested in the subject; and they are willing to pay the necessary price for that type of literature. This afternoon we have been dealing largely with the difficulty which arises when this literature becomes available to children and adolescents. From my knowledge of the limited financial resources of this age group it would seem that they are not the chief offenders in creating the demand. I believe it is the purchaser on the adult level who provides the financial stimulus necessary to enable this business to continue quite profitably.

In *Maclean's* magazine a few months ago there was the biography of one of the more prolific writers in this field of popular fiction, a person by the name of Mickey Spillane. I was interested in the article because *Maclean's* is a reputable publication and always presents a factual case. I was surprised to discover that some 7 million copies of the Spillane type of murder mystery had been sold on the North American continent. Canada would, of course, be part of that market. One can see the Spillane type of murder mystery, as it is called, on every newsstand, and in almost every instance it is a combination of lechery and violence. The bulk of the purchases of this type of literature is not made by children or adolescents, but by the adult population. It would seem that a good many enjoy that type of escape from reality or that type of release from the confused situation in which they find themselves.

The very fact that there are 7 million readers—and no doubt a greater number have since become fans of the Mickey Spillane novels—would tend to suggest that some of the statements made by the hon. member for Portneuf (Mr. Gauthier) are correct. What we find confronting us today is a tendency toward a moral breakdown, a failure to distinguish between what is good and what is bad so far as literary values are concerned. In so far as children are concerned, and adolescents who are still dependent upon the home and other social institutions, this problem would be no problem at all if those institutions were exercising the control that they have traditionally exercised. The very fact that moral standards have tended to become dim in the confusion and complexities of modern civilization would suggest that these basic social institutions have lost some of their control over the young people in our society. When I speak of "decline in our moral standards", I mean there is a failure to an increasing degree to distinguish the principles by which we judge behaviour to be either right or wrong.

Arising then from the problem of the market available for this type of literature, it seems to me that the solution put forward in the resolution by the hon. member for Kamloops (Mr. Fulton) has some validity. I am particularly interested when he speaks of a joint committee of both houses of parliament being set up for the purpose of studying and recommending legislation or other measures. I like the idea of "other measures" perhaps better than recommending legislation. Then the increasing volume of filthy literature circulated in Canada could be dealt with effectively but without, at the same time, improperly restricting the freedom of the press or genuine literary or artistic expression.

The very fact that this discussion has taken place here this afternoon will create an awareness among those who should accept responsibility in this regard. For example, take the recently established organizations existing in a good many of our schools across Canada, the parent-teachers associations. If they were to get hold of the significance and magnitude of this problem it would not be very long before they began to take some positive and constructive action to remedy the situation. I am sure the publicity given to this matter will create such an awareness in places where it does not already exist. Because of the complex nature of the society in which we live, there are all sorts of things going on almost under our noses of which we are not aware until they are actually brought to our attention by someone who is a little more observant, someone who has a keener appreciation of his social and community responsibilities.

In bringing my remarks to a close, I commend the hon. member for Kamloops for providing this opportunity to discuss the subject. I would suggest that once the problem is brought to the attention of those institutions or groups responsible in every part of Canada, it could be dealt with successfully on the local community level. If it

goes to a committee, as is suggested in the resolution, and receives further airing and discussion, and if a real awareness of the difficulty is established, then the particular problem that has received the greatest emphasis this afternoon—namely, that of children and adolescents being exposed to obscene literature—will to a large extent wither away.

Mr. E. T. Applewhaite (Skeena): What brings me into this debate this afternoon is a reference made by the hon. member for Portneuf (Mr. Gauthier), and some extracts read from the evidence given by Mayor Whitton. There is in my home town a small newsstand, the name of which I have no intention of mentioning here for fear of possible repercussions against it later. I was approached by the proprietor of that little newsstand last summer and he was discussing this question of the sale of various types of what might be called undesirable literature. He informed me, as was stated by the hon. member for Portneuf, that if he wished to obtain a reasonable supply of what he considered were the desirable magazines, a sufficient supply to serve his regular customers, he also had to take so many hundreds of pounds of various types of intellectual tripe.

A lot of the material he would be compelled to take in order to qualify for his quota of better literature was not necessarily pornographic, filthy or illegal, though some of it most likely was. If it is the situation that, in order to get a supply of magazines class A, a retailer has to accept and pay for a given quantity of magazines class B, that is something or other in restraint of or in control of private enterprise. It should be investigated, and most thoroughly investigated, I respectfully submit, by the Department of Justice, and that soon; because I believe that situation is responsible for some, if not all, of the sale of the material which is objected to in the resolution proposed by the hon. member for Kamloops.

I must say I have some sympathy for the small businessman who finds himself in that position, who cannot make a working profit and pay for the junk out of the profits he will get from the better class of material, and therefore in self-defence has to display and dispose of the less desirable types of literature.

I have not the slightest doubt that if that situation exists it is going to be pretty difficult to ferret out, because the people who are in business in a big way are by no means ignorant as to how to conceal what they are doing, and those who depend upon them for their supplies, which means those who depend upon them for their livelihood—I refer to the little retailer—may have some difficulty in producing the necessary evidence upon which to found a case.

With reference to the meat of the hon. member's resolution, in this case I find myself in agreement with much of what has been said by the hon. member for Greenwood (Mr. Macdonnell), and I presume that means much of what has been said by the hon. member for Greenwood has merit. In particular he frankly admitted the difficulties in solving what is equally frankly a problem.

The first question that comes to my mind, and which I think has been discussed in a great many homes and a great many other forums, is what is filthy; what is obscene; what is pornographic?

One hon. member, whose name I have forgotten, referred to the evidence before the Senate divorce committees as being this type of filth or pornographic literature. Well, I am wondering. That is a factually documented report, published without the slightest effort being made to make it palatable, to make it good reading. It is just about as sensational, it is just about as attractive, from my point of view, as a medical book on some branch of obstetrics might be, yet it is not desirable reading. It is not the type of thing that the average parent would supply to a twelve-year-old child. Nevertheless it is doubtful whether anyone would say that publication of that particular material should be made illegal.

I honestly believe that if we took all the members of this house of one political group —I do not care which—we could produce to them certain types of doubtful literature and find that some would regard it as pornographic and illegal and worthy of suppression, while others would regard it as of no importance at all. There is of course no question that certain types of material are definitely pornographic, flagrantly so, while others are not. But there is this dividing line somewhere, and the whole crux of the question is that nobody can agree just where it is.

Then I think the question has been somewhat bemused this afternoon with the addition of a great many references to what is intellectually desirable. I think it was the hon. member for Greenwood who described it as trivial and worthless. I feel—and I do not know that I am too much of a highbrow—that a great deal of the material which is now being sold in bookstores and other places is trivial and is intellectual tripe; but I would not have the slightest excuse for suggesting that it was immoral or should be

made illegal. Perhaps it is a fair comparison to say that there are a lot of very cheap candies on sale which do not do the children who buy them any good and which do not do them any harm, except that when they are taking these cheap and worthless candies they are filling their little stomachs with stuff which will do them much less good than if they were getting good fresh fruit, or something of that sort. In other words, it may not do them any positive harm, but it is keeping out the possibility of doing a certain amount of positive good. If you were to carry that analogy further down the line of course you would come to the material which would actually poison the child, and we are dealing now with the material which will poison the minds not the reading of which is just a very silly waste of time.

Then there is the other question. Perhaps I am a little bit old-fashioned. I am not one of those—at least I do not think I am—who rush in to the defence of advanced thought along most any line except of course political; but we have to be just a little careful that in our discussion of this or any other similar matter we do not decide that the stage at which we have arrived, you and I, is the ultimate; that because we have said, or have decided in our own minds, that this is good and that is bad, you shall not go any farther; that this decision, like the law of the Medes and Persians, can never be changed.

I wonder if I may be permitted to use an example that I know full well is a most dangerous one. There are in the house and country hundreds of thousands of people who are quite morally convinced that anything dealing with free information on the subject of birth control is absolutely immoral. There are also in this country, and most likely in the House of Commons, a great number of people who are quite firmly and morally convinced that the advocacy of birth control is something which is morally right and, some people think, morally desirable. I am not going to say who is right; that is not the question before us. The point is that there can be very firm convictions held by very decent people as to what is right and what is wrong; yet the convictions of one group can be anathema to the other group.

That brings me to an observation made by the hon. member for Portneuf (Mr. Gauthier). He was dealing with the possibility of some form of censorship or control, and his words as I took note of them were: "The law can never be too severe". That is something with which I cannot agree, because I think conceivably it could be. If the law were imposed by a group of intellectuals whose views were different from mine, I would then be of the opinion that the law was too severe. A form of control based upon what we are led to believe was the official thinking of the Puritans on the North American continent, in the early days, might be acceptable to some in this country and quite unacceptable to others. Yet both groups might be perfectly decent and Christian, and equally sincere.

If I remember correctly it was the hon. member for Yale (Mr. Jones) who made what I believe, thus far, has been the only positive approach to the subject. All the rest of us have been talking from the negative viewpoint, stating that something should be forbidden. While I do not undertake at the moment to offer my support to the hon. member's suggestion, the fact is that he did make one concrete and positive suggestion as to the manner in which the problem might be met.

I think all of us have been thinking in terms that are purely negative. The solution facing us at the moment would appear to me —and conceivably I could be wrong—to be that we are going to have decisions as to what is or what is not to be sold made either by some board of censors or under the Criminal Code. I do not think anyone will claim that, to date, the results in the criminal courts have been satisfactory. I lay part of the blame where I placed it when I began these observations, namely on the situation which I believe exists as between distributors and retailers. But we are told by the Minister of Justice (Mr. Garson) today that we may expect a good deal from the disposition of a case now under appeal.

I am afraid of a board of censors. Quite frankly I am afraid of anyone undertaking to tell me what shall be my standards in respect of morals or decency. I would be afraid to place the matter under the control of a board of censors which, if it wished, could tell us that the statue of Venus de Milo is indecent and immoral, and that every reproduction of it should be removed. Then, if it went too far the other way, quite conceivably it could continue to permit the importation and sale in this country of some things which would be offensive to a great majority of the people.

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

Mr. Applewhaite: Yes; but I am not an expert, and I could not guarantee the answer.

Mr. Macdonnell (Greenwood): Does the remark the hon. member has just made indicate that he would favour doing away

with censorship or quasi-censorship such as I understand exists through the customs, against this kind of literature?

Mr. Applewhaite: If any alternative solution at all can be found within the Criminal Code or elsewhere my present answer would be yes. I was just going to deal with that. I do not believe that any group of individuals, whether set up as a board of censorship under a provincial government or whether it be a branch of the Department of National Revenue, or whether it be set up under some new act of parliament, should decide what shall and what shall not be literature.

I do not believe any such board of censors could come to a decision that would meet with the approval—I do not say the pleasure—of the majority of people in this country; because I do firmly hold the view that the standards and tastes of all of us vary to such an extent that no 20 people, or no 262 people, can say what is or what is not going to be effective. They must draw the line somewhere, putting things on one side or on the other.

There is only one alternative solution that I can see. It may not be perfect, and I know that there are weaknesses in it. The alleged crime would have to occur, followed by a decision by jurists. If they came to a conclusion that just looking at a picture would have an immoral effect, and that it should be removed, their decision would have to be respected. I know there are weaknesses in this alternative, in that a certain amount of damage is done before a decision is made. But, speaking as one individual who must choose between that and living under the jurisdiction of one or several boards of censors, I will choose the criminal court solution every time.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I take part in this debate because I have received several letters from people in my constituency. Then, a year ago samples of some books were sent to me. If I had my way and it were possible to have these objectionable books taken off the shelves of the bookstores in Canada, I would certainly have it done.

The books to which I have referred were received from a Christian lady. I gathered from her letter that she had read them. I read them, and having done so carried them over to the Minister of Justice (Mr. Garson) who, I hope, in turn also read them. In this way we have gained firsthand knowledge of some of the vicious literature contained within the covers of these novels. I was not afraid the books would do the minister any harm, because I felt his age and experience would protect him. I was sure they would not hurt him physically, mentally or morally.

If the appointment of a commission should be the right procedure in this matter, I would be in favour of it. On the other hand it occurs to me that a board of censors—and when I say this I realize I am disagreeing with the hon. member who preceded me in the debate—might be the better alternative.

Any move to clear out this vicious literature and make it less easily obtainable by our young people is a move in the right direction. The vicious contents of this literature, the suggestive names the books carry and the luxurious pictures on their covers in my opinion are not good for the younger people of Canada. If this resolution is a move in the right direction I am in favour of it.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I want to congratulate the hon. member for Kamloops (Mr. Fulton) upon his thorough preparation and presentation. This question of obscene literature does not alarm me so much today as it did two years ago, because I am told by booksellers that there is a greater demand today, not for literature dealing with the breaking of the seventh commandment but for a better type of book. There are many books dealing with the way a man can overcome his worries, how men and women can carry out their tasks in life and win the victory.

The writings of Lloyd Douglas are in great demand. He is an outstanding guide and helper. The demand today for his books and his type of literature is much greater than it was a few years ago. Dr. Norman Peel of New York is an outstanding writer who tells men and women how they can best overcome their worries and achieve a clean life. I have some pamphlets here which indicate the type of literature available. This indicates that there is inspiration everywhere; it tells us to let freedom reign, how to become secure in insecure times and so on. As our church leaders, our doctors, our teachers, our members of legislatures advertise these things through their own lives, the great call will not be for literature dealing with the breaking of the seventh commandment.

The Minister of Justice (Mr. Garson) has said that there is enough legislation if it is enforced. I do not know whether this resolution will help, but if we can get something that will be enforced I think we should have it. In your prayer every day you say, "lead us not into temptation." If this committee were set up it might show the booksellers and those who would appear before it the

error of their ways, and they might wake up. You cannot make people good by passing resolutions or legislation; the change must be in their own hearts.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I have listened with great interest to the comments of the various hon. members who have spoken on this important resolution. Members of the Social Credit group I believe will support the resolution. There is great difficulty in knowing just how to correct the problem which is involved. Everyone knows that for some strange reason obscenity seems to be increasing in the literature commonly available to people. How to stop that increase, how to take the necessary steps to restore the standards of high thinking which prevailed fifty years ago, is something which I think is beyond the average mind to conceive.

I can see no harm in calling a committee of this kind and having them devote a measure of attention to possible solutions of the problem. Whether or not any legislation would be based on their findings that would be of assistance, I would hate to say. But I do believe we ought to do everything we can. If we do not do everything we can to improve the moral attitude of the youth of our time and their elders, I think we shall stand condemned before those who follow.

Mr. Speaker: Order. The motion is by Mr. Fulton. Before the motion is put, may I point out that I have modified it to read, "That in the opinion of this house consideration should be given to the advisability of appointing a joint committee" rather than "the government should consider".

The house divided on the motion (Mr. Fulton) which was negatived on the following division:

YEAS

Messrs:

Adamson	Fair
Argue	Ferguson
Beyerstein	Fleming
Black (Cumberland)	Fraser
Blackmore	Fulton
Blair	Gagnon
Brisson	Goode
Brooks	Graydon
Browne (St. John's West)	Green
Bryce	Harkness
Byrne	Hees
Cardiff	Herridge
Casselman	Hodgson
Catherwood	James
Churchill	Johnston
Courtemanche	Kickham
Coyle	Knight
Deslieres	Leduc
Dinsdale	Lennard
Low	Ross (Souris)
Macdonnell (Greenwood)	Rowe
MacInnis	Schneider
McGregor	Shaw
McLure	Spence
Nickle	Starr
Noseworthy	Stewart (Winnipeg North)
Nowlan	Thomas
Pearkes	Tustin
Poulin	White (Hastings-Peterborough)
Pouliot	Wright
Quelch	Wylie—64.
Riley	
Robertson	

NAYS

Messrs:

Abbott	Healy
Anderson	Hellyer
Applewhaite	Henderson
Arsenault	Henry
Ashbourne	Hetland
Bater	Hunter
Beaudoin	Kirk (Antigonish-Guysborough)
Benidickson	Kirk (Digby-Yarmouth)
Bennett	Lafontaine
Black (Chateauguay-Huntingdon-Laprairie)	Langlois (Berthier-Maskinonge)
Blanchette	Langlois (Gaspe)
Boisvert	Lapointe
Boivin	Larson
Bonnier	Lefrançois
Boucher	Lesage
Bourget	Macdonald (Edmonton East)
Bourque	MacDougall
Bradley	MacLean (Cape Breton North and Victoria)
Cameron	MacNaught
Campney	McCann
Cannon	McCulloch
Cardin	McDonald (Parry Sound-Muskoka)
Carter	McIlraith
Cauchon	McLean (Huron-Perth)
Chevrier	McMillan
Claxton	Masse
Conacher	Monette
Corry	Mott
Cote (St. Jean-Iberville-Napierville)	Nadon
Crestohl	Nixon
Croll	Pinard
Decore	Prudham
Demers	Ratelle
Denis	Richard (St. Maurice-Lafleche)
Dickey	Rochefort
Eudes	Ross (Hamilton East)
Eyre	Sinnott
Ferrie	Stuart (Charlotte)
Fontaine	Tremblay
Fournier (Hull)	Valois
Garland	Ward
Garson	Warren
Gauthier (Lake St. John)	Whiteside
Gauthier (Lapointe)	Whitman
Gauthier (Portneuf)	Winkler
George	Wood—96.
Gingras	
Gourd (Chapleau)	
Gregg	
Harris	

Mr. Cruickshank: I was paired with the hon. member for Cape Breton South (Mr. Gillis).

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we shall continue with the debate on the motion to set up a committee to examine into national defence expenditures. If we dispose of that motion to set up the committee we will take up the resolution relating to the appointment of an associate minister of national defence, and then deal with the items in the name of the Minister of Justice (Mr. Garson).

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

HOUSE OF COMMONS

Thursday, January 22, 1953

The house met at 2.30 p.m.

BANKING AND COMMERCE

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. Hughes Cleaver (Halton) 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.

MISCELLANEOUS PRIVATE BILLS

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. H. W. Winkler (Lisgar) presented the first and second reports of the standing committee on miscellaneous private bills, and moved that the first report be concurred in.

Motion agreed to.

QUESTION

MUNICIPAL POLICE SERVICE, SASK.—CHARGES BY R.C.M.P.

Mr. Wright:

1. What increases have taken place in the charge per man by the Royal Canadian Mounted Police for police services to municipalities in the province of Saskatchewan, since January 1, 1951?

2. What increases have taken place in the rentals or other services required by the Royal Canadian Mounted Police in these municipalities?

Mr. Garson:

1. No general increase has taken place between January 1, 1951 and December 31, 1952. The charge per man per annum was increased to the town of Eston from $1,200 to $1,400 on the 1st November, 1952, and the rate to the city of North Battleford was increased from $1,000 to $1,400, effective the 1st November, 1951.

2. Certain municipalities have been required to pay the sum of nine cents per mile for each mile travelled on municipal duty by R.C.M. Police transport. Certain municipalities not providing office accommodation have been required to pay an appropriate amount in lieu of such accommodation.

QUESTION PASSED AS ORDER FOR RETURN

MEDICAL AND SURGICAL SUPPLIES—CONTRACTS TO NOVA SCOTIA COMPANIES

Mr. Balcom:

What contracts over $100 for medical and surgical supplies have been awarded Nova Scotia drug or surgical instrument companies by the Canadian Commercial Corporation?

HOUSE OF COMMONS

APPOINTMENT OF SPECIAL COMMITTEE ON PROCEDURE

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That a select committee to be designated be appointed to consider with Mr. Speaker the procedure of this house for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business, with power to send for persons, and papers and to report from time to time its findings and recommendations to the house.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I have not checked to see if this motion follows the same form as the motions in the last two sessions dealing with the appointment of this particular committee, and I wonder if the Prime Minister would tell us if the purposes outlined here are sufficiently broad. We are all concerned about the more expeditious dispatch of public business but it may be that there will be other matters that should be considered by the committee and which would not come strictly under the heading of the more expeditious dispatch of public business.

Mr. St. Laurent: I think these words are identical with the words of previous motions. I know that last year the motion was to continue the work that had been done by a previous committee and the report of that previous committee was referred to the committee to be set up. It was felt this time that it would be in order to have the language as general as possible. I am quite sure that if the committee finds that there is something that it wishes to do that is not covered by this reference, there will be no hesitancy on the part of the house to accept its recommendations that the terms of reference be enlarged. I would undertake to bring that before the house without any delay whatsoever.

Mr. Fleming: I wish to thank the Prime Minister. I take it that we can agree that

the purpose of the motion is to provide wide terms of reference for the committee.

Mr. St. Laurent: Oh, yes. I would hope that these terms of reference would be quite sufficient to enable the committee to consider the principle of the bill introduced to amend the constitution with respect to the quorum of this house, if that bill or the subject matter of the bill is referred to the committee. I can give the hon. gentleman assurance that there is no desire to circumscribe the terms of reference of this committee in any manner whatsoever. Should the committee find that it requires some modification in the terms of reference in order to permit it to make the kind of recommendation it feels would be proper, I shall do my best to bring it before the house at the earliest possible moment and recommend that it be considered. We want the members of this committee to have full opportunity to consider the rules and make such recommendations as they hope will commend themselves to the majority of the members of the house.

Motion agreed to.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO ROYAL COMMISSION RECOMMENDATIONS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. In view of the conflicting recommendations in regard to the South Saskatchewan river project, will the Prime Minister say whether it is the intention of the government to stand by the recommendations of its own P.F.R.A. engineer and its own promises to the people of western Canada?

Right Hon. L. S. St. Laurent (Prime Minister): The government has not yet had an opportunity to give proper consideration to the report of this royal commission. As soon as it has had that opportunity and has reached any decision, that will be announced to the house.

Mr. Solon E. Low (Peace River): May I ask a supplementary question? Is it the intention to have the report printed and distributed at an early date among members of the house?

Mr. St. Laurent: I am surprised to know the hon. member has not received it. Instructions were given to make it immediately available to all members of parliament. If that has not been done, I shall take steps to see that it is done at once. I was informed on Monday morning that there were copies in sufficient number to make them immediately available to all members of parliament.

[Mr. Fleming.]

Mr. Graydon: Did you make a good count of the copies?

Mr. St. Laurent: I was told in general terms that there were enough to go around and that there were sufficient copies available to enable me to send some to the governments of the three western provinces, which was done.

CANADIAN BROADCASTING CORPORATION

ALLEGED INTENTION TO BROADCAST A CHILDBIRTH

Mr. Donald M. Fleming (Eglinton): On January 15 I put a question to the Minister of National Revenue (Mr. McCann), as reported on page 1014 of *Hansard*. This question was as follows:

> Is the Minister of National Revenue aware of the fact that the Canadian Broadcasting Corporation, through its present information service, is announcing that on January 29 it will broadcast a childbirth? If so, what action is the government proposing to take?

The minister then replied as follows:

> I am not aware of the matter, but I shall have it referred to the Canadian Broadcasting Corporation and give the imformation later.

A week has passed, and I wonder if this question could be answered soon.

(Translation):

BRIDGES

INQUIRY AS TO BRIDGE BETWEEN CROSS POINT, P.Q. AND CAMPBELLTON, N.B.

On the orders of the day:

Mr. Bona Arsenault (Bonaventure): I wish to put a question to the hon. Minister of Public Works (Mr. Fournier).

Two lives having been lost recently as a result of the collapse of part of the ice bridge between Cross Point, Quebec, and Campbellton, New Brunswick, I would like the hon. Minister of Public Works to tell me:

1. Whether he has received from the government of the province of Quebec or from that of New Brunswick any representations through which these provinces have formally agreed to participate financially in the construction of an interprovincial bridge between Cross Point and Campbellton.

2. Whether the federal government is willing to participate financially in the construction of such an interprovincial bridge, according to the practice generally adopted up to now in this country.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, the matter of the construction of an interprovincial bridge between Cross Point and Campbellton has been brought time and again to the atten-

tion of my department by those members representing the neighbouring constituencies, including the one who asked this question.

Each time, I pointed out to hon. members that the federal government is always prepared to consider any proper suggestion that the two provincial governments might submit. However, no suggestion of the kind has yet been submitted to us by the provincial authorities concerned, neither jointly nor separately.

I should like to add that as soon as the two provinces concerned have formally indicated their decision to participate financially in the construction of this interprovincial bridge, I shall submit their proposals without delay to my colleagues of the cabinet.

(Text):

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed, from Tuesday, January 20, consideration of the motion of Mr. St. Laurent for the appointment of a committee to examine defence expenditures and commitments, and the amendment thereto of Mr. Claxton, and the amendment to the amendment of Mr. Knowles.

Mr. J. W. Noseworthy (York South): Mr. Speaker, this debate is now going into its second week. During that time the Department of National Defence has acquired an unenviable reputation. It has become a joke and the laughingstock of this country. Worse than that, the present administration of the department has brought the department itself, and particularly the army branch, to a position where it also has become a laughingstock in the country. That, I suggest, is a very regrettable affair. The Department of National Defence is not only the largest spending department of the government but it is the department that is concerned with the nation's very survival in time of war. It is the department which is concerned not only with the spending of hundreds of millions of dollars but the department which is concerned with the life and welfare of thousands of our citizens who enlist in the various branches of the services. It is the department that must inspire young Canadians with sufficient confidence to induce large numbers of them to choose the armed services as their lifework and to inspire still larger numbers to submit themselves to sufficient training to enable us to defend ourselves in case of attack.

It is not good for the morale of the army or the morale of the Department of National Defence, nor is it good for the morale of the country, that a department of such importance should become the laughingstock of the country, particularly at this time. When have we ever before in all the history of Canada had a department of national defence that has become, as this administration has, the subject of such numerous jokes by jokesters and cartoonists all across the country? When has any one of our great national dailies ever had the opportunity of making such fun at the expense of the Department of National Defence as the *Globe and Mail* did on the front page of its issue of January 15? I have a copy of that page on my desk. There is a whole page of cartoons gathered from all across the country that hold the Department of National Defence up to ridicule.

There is a cartoon, for instance, representing an ordinary soldier up before the big brass of the army and defending himself by saying, "All I said was, I have been working like a horse." The present Minister of National Defence (Mr. Claxton), Mr. Speaker, is the most nagged man in all Canada today.

Mr. Sinnott: That is only your opinion.

Mr. Noseworthy: It is small wonder that the Department of National Defence has become an object of such ridicule. When before in our history has *Hansard* ever printed on one day a letter tabled by a minister of a responsible department, a letter supposed to be written by him, signed by him and sent by him to another citizen, only to be told on the next day by the minister that he did not write the letter, he did not dictate it and the signature must have been added at some stage either by a clerk or by a printer? It becomes quite evident to the public that the minister is not only unfamiliar with what goes on in his own department but he does not even know what he is doing when he is tabling documents in the House of Commons. He does not even know what he is tabling. How can we expect the country to have confidence in an administration of that kind? What goes on in the Department of National Defence? Who played such a prank on the minister? I suggest that this is a case worthy of the best efforts of the R.C.M.P. Certainly it is as worthy as some of the duties that have been assigned to that force by the Department of Justice in recent weeks.

The debate, as I said, has gone on now for two weeks. During that time the Prime Minister (Mr. St. Laurent), the Minister of National Defence, the Minister of Justice (Mr. Garson) and the Solicitor General (Mr. Campney) have all participated along with some other lesser Liberal lights. Actually the big Klieg lights of the Liberal party and the little candle lights, as for example, the

one from Mackenzie, have only served to blur the picture before us. What has quite evidently been the object of the government in this debate is the minimizing of the importance of the actual report and drawing the attention of the public to other minor and side issues.

I submit it is in the public interest that our attention should be focused on the report and the revelation of inefficiency on the part of those at or near the top of the Department of National Defence as exposed in the report. That is the issue which should be our concern. It is not, I submit, a matter of grave national importance whether a colonel's rocking horse was a $400 bang-up thoroughbred affair with a silken mane, as the soldier who made it evidently thought, or whether it was, as the minister says, a rough affair made from scrap, from a lady's worn-out fur coat and a milkman's horse's tail, a rocking horse that was only worth $9.50—

Mr. Studer: Your party brought it up.

Mr. Noseworthy: —and which $9.50 was returned to the government some weeks or months after the horse was made and after the investigation was well under way. It is a matter of some importance that an investigation by an investigator of Mr. Currie's standing gives us certain important facts. It is important that the explanations that the Minister of National Defence and the Prime Minister have given us pertaining to the same facts are at variance with and contradictory to those given by Mr. Currie. This becomes more important when we are given to understand by the minister that Mr. Currie got his information from the Department of National Defence, that the department cooperated with him in giving him all the information he wanted, and that the reason the minister wanted the Department of National Defence to check the report was that the facts had been given by the department.

The minister and the Prime Minister got their facts from the Department of National Defence. Yet they are at variance in a number of details. How does it happen, for instance, that Mr. Currie's story about horses on the payroll should differ so widely from the Prime Minister's explanation? How does it come about that Mr. Currie could find no useful purpose being served by a certain dam that was built and yet the Minister of National Defence comes forward with an explanation? How does it happen that nobody in the Department of National Defence was bright enough to think of these explanations when Mr. Currie interrogated them and that the explanations come to us only after Mr. Currie has given us an entirely different version? Any impartial citizen who is at all interested in this affair can only reach one conclusion. That one and only conclusion is that the government is going to great lengths to whitewash the Currie report.

It is a matter of some public concern, I think, whether a government department being investigated should have the right to edit a report which exposes the inefficiency of the department being investigated. Is it the right of the Department of National Defence to have that report, which condemns that department for its inefficiency, revised and edited by that department before it is made public? That, I take it, is a question of some national importance.

The minister tries to gloss over that fact, without really facing up to it, by telling us that he ordered the report; that he wanted the truth; and apparently he admits that Mr. Currie could not get at the truth and so the minister has to get at it after the report is published. He tells us that Mr. Currie got his information from the department but the department wanted to check the facts that it gave to Mr. Currie.

The whole question at issue is whether or not a government department that is being investigated can require the submission to it of a report of the investigation which condemns that department for inefficiency—before the report is made public. You do not answer that question by saying that this report was Mr. Currie's; that Mr. Currie could submit it or not as he chose; that Mr. Currie could take the suggestion of the Department of National Defence or not as he pleased. That does not answer the question.

We shall never know what conversations took place nor what persuasive measures were taken to induce Mr. Currie to comply with the minister's request in this respect. I say that it was submitted for editing advisedly, because in my opinion the change that was made in that report, changing the wording from "those at or near the top" to read "higher ups" cannot by any stretch of the imagination be considered factual or anything else but editing. That was the real purpose why that report had to be submitted to the officers of the Department of National Defence.

Let us not forget that had it not been for the fact that what the Prime Minister calls a preliminary working paper found its way into the hands of the leader of this group, the country would never have known that Mr. Currie was requested by the Department of National Defence to submit his report to them for editing before it was tabled in this house.

Some of us believe that a department of government being investigated should not be accorded the privilege of editing a report made by an independent investigator condemning that department. We believe that a report produced and made public under those restrictive conditions could—I am not saying that this one did—lose all of its validity as an independent report by an independent investigator. On those grounds we think that the department should not have been accorded that privilege. In fact, some of us feel so strongly on this point that we believe that the member for Rosetown-Biggar (Mr. Coldwell) would have been condoning the action of the government and would not have been fulfilling his duty as a member of this house if he had, as the Prime Minister suggested, refused to make use of the information which came into his hands.

Are we to assume that only the government has the right to make use of stolen information—if it was stolen? No one questioned the right of the government to make use of stolen information in the Russian spy case. Are we to accord that right only to the government or, as the Prime Minister suggested, to the leader of the official opposition? As he suggested, had the report been taken to the editors of the country—

An hon. Member: Who stole the report?

Mr. Noseworthy: —it might have been taken to the leader of the official opposition. Are we to accord that privilege to those people and not accord it to the opposition members of parliament? That is an issue, I think, which might well be considered.

The Prime Minister on January 15, when speaking in this house about the hon. member for Winnipeg North Centre (Mr. Knowles), as reported in *Hansard* on page 1019, said:

> —the hon. gentleman is sometimes inclined to set himself up not only as an authority, . . . but also as an example of rectitude for the rest of us to follow in our own public conduct.

Then a few minutes later the Prime Minister, as reported on page 1021, sets himself up as an example to the rest of us when he makes this statement:

> Does anyone imagine, Mr. Speaker, that I would be doing for anyone but the public service what I have been doing for the last four or five years for the pecuniary compensation that I get for it?

I am not for one moment questioning the fact that the Prime Minister was rendering this service because of his interest in the public and in the welfare of Canada, but what I am saying is that the Prime Minister should be broad-minded enough to accord to gentlemen on this side of the house the same privileges that he takes unto himself and that he takes for the members of his government.

An hon. Member: He did not steal anything.

Mr. Noseworthy: Is the Prime Minister unwilling to concede that the member for Rosetown-Biggar used that information for no other purpose than in the public interest? He implies in his speech that the man who brought that information to the hon. member for Rosetown-Biggar—

An hon. Member: Who was it?

Mr. Noseworthy: —was not only stealing this information but that he was bringing the document solely for the purpose of its being used in party strife. The Prime Minister insinuated that the member for Rosetown-Biggar, when he made use of that information, was making use of it for no other purpose than party strife. Is the Prime Minister not big enough, is he not gentlemanly enough, to assume that there could be some people on this side of the house whose principles are high enough—

Mr. Dupuis: Mr. Speaker, I want to know if the word "insinuate", in this case, is unparliamentary?

Mr. Brooks: Look it up in the dictionary.

Mr. Dupuis: Let the Speaker decide. To me the word "insinuate" means lied. I should like to know whether or not, in the present circumstances, that word is unparliamentary. I am waiting for your decision, Mr. Speaker.

Mr. Speaker: I do not think I should rule that the word "insinuate" is out of order. I do not think it means "to lie". Many things may be insinuated. I cannot declare it to be unparliamentary in the present circumstances.

Mr. Brooks: Nor could anyone else.

Mr. Noseworthy: By what means does the Prime Minister arrive at his conclusion that because opposition members cannot identify the interests of the Liberal party with the interests of the country, as quite evidently the Liberals do, they are therefore stooping to party strife? They have attempted to expose a government practice which they consider wrong, and which they consider against the public interest. Quite frankly, Mr. Speaker, we in this group believe that the exposure of the government's insistence on editing the Currie report is not in the best interests of Canada, and that those who exposed that were, in reality, rendering the country a good public service.

Apart altogether from the question of the document and the issue arising out of it, I want to support the subamendment moved by the member for Winnipeg North Centre (Mr.

Knowles). The subamendment, on page 1019 of *Hansard* for January 15, 1953, reads in part as follows:

—and to give consideration to the desirability of recommending that Mr. Currie be asked to conduct a further inquiry into any other expenditures and commitments covered by the terms of this resolution.

If the Currie report has done nothing else, it has alerted the public to the fact that they are not getting value for all the money the Department of National Defence is spending. The public not only regard the administration of that department, as I said before, as a joke, but they have become cynical about it. They have become suspicious of what is happening elsewhere in that department. In my opinion, public interest and the interests of the Department of National Defence require that there be a thoroughgoing investigation of the expenditures of that whole department. Only in that way will public confidence in the department be restored to the point where the public will be willing to see our youths devote their services to this country through the Department of National Defence.

Today this department is completely discredited in the eyes of the public, and only such a thoroughgoing investigation can restore that department to the confidence of the public. The minister tells us that he wants to get at the truth. I am confident the Prime Minister also wants to get at the truth. Yet, both of them will oppose this subamendment. The Prime Minister has told us he will vote against it, and he thereby gives the signal to all his followers to vote against it. Why? Certainly, they cannot pretend to those of us who sit in this house that they believe for one moment the committee on defence expenditure will make any such investigation of the true facts? They will get from that committee just those facts that the government wants revealed, and nothing more. Those of us who have had experience in sitting on committees in the past, and I sat on the defence expenditure committee during world war II, realize that they get just what information the government wants them to get.

I believe the keynote of the committee's investigation was given in an interview by Mr. MacTavish, president of the national Liberal federation, as reported in yesterday's *Journal*. Mr. MacTavish was interviewed during his first western trip in his present capacity, and had this to say:

—he believes the report will be put in its proper perspective after it is examined and analysed by the defence expenditures committee of the Commons.

[Mr. Noseworthy.]

Then he goes on to say that it will not be an issue in the forthcoming election. The report will be put in its proper perspective by the Liberal majority of that committee. They will minimize the charges in the report, and give the report such a good coat of whitewash that the Liberals hope the country will forget the report when election time comes, thus exonerating the government and the Department of National Defence from the charges that are implicit in that report. I maintain, Mr. Speaker, that the good name of our Department of National Defence, the good name and reputation of our armed forces acquired through the sacrifices of our soldiers, sailors and airmen in two world wars, is being sacrificed and held up to ridicule in this country because the Liberal party places party interests before national interest.

If the government today uses its majority in this house to defeat that subamendment, and thereby show the country that they do not want a thorough investigation into the Department of National Defence, they will furnish the country with proof of what I have just said.

Mr. David A. Croll (Spadina): I have been reluctant to enter the debate on the establishment of a committee to investigate defence expenditures and examine the Currie report. Rumour has it that I shall have ample opportunity in the very near future of discussing the Currie report. The house will understand, therefore, if I do not discuss it at the present time. But in listening to the debate, and I have listened to it since its inception, I have had a curious feeling of unreality. Let us see what the government is proposing to this house. The government is proposing, and I quote:

That a select committee be appointed to continue the examination of all expenditure of public moneys for national defence and all commitments for expenditure for national defence since March 31, 1950, and initially to give priority in their examination to the expenditures and commitments of the Canadian army works services as dealt with in the report of G. S. Currie, Esquire, chartered accountant, tabled in the House of Commons on December 15, 1952.

That is the government proposal. The position of the official opposition on that matter is well known and was stated by a member of last year's committee on Tuesday, January 20. As reported at page 1182 of *Hansard* of that day the hon. member for Calgary East (Mr. Harkness) said:

The idea of referring the report to the defence expenditure committee, from the point of view of the recommendations, is completely hopeless and just does not make sense.

Then again at page 1184:

I can think of nothing less valuable than to have the committee on defence expenditure spend its time, in effect, in investigating the investigator. That is what we would be doing, and that is all the defence expenditure committee can and will do if it is turned loose on this Currie report. We shall be investigating the investigator, the very man the Minister of National Defence and this government appointed for the purpose of investigating the irregularities which had taken place at Petawawa, who spent months in doing that, and who turned in what I think everyone will admit was an absolutely splendid report.

Then again at page 1186, still quoting the hon. member for Calgary East:

If this program envisaged by the government is carried out time will be spent on a minute examination and re-examination of the Currie report, and it will be a complete waste of time as far as the committee is concerned.

Then quoting the hon. member at page 1184 of *Hansard*:

Last year in the defence expenditure committee I made a motion that the committee should investigate the situation which had developed at Petawawa, but the government would not hear of it.

At that stage the hon. member for Calgary East neglected or in any event omitted the meat of his motion. The motion, as he states it, is tasteless, without being spiced. I cannot resist taking advantage of the opportunity to set the record clear.

On Tuesday, April 29, 1952, the committee on defence expenditure met and there were present Messrs. Adamson, Applewhaite, Blanchette, Campney, Cavers, Churchill, Croll, Dickey, Dinsdale—he had replaced the hon. member for Nanaimo (Mr. Pearkes) in that and a few other meetings; the hon. member for Nanaimo was away at that particular time —Fulton, Gauthier (Portneuf), George, Harkness, Henderson, James, Jones, Larson, Macdonnell (Greenwood), Power, Stick and Weaver. Twenty-one members were present. Six members belonged to the official opposition; they were all present.

At that time the hon. member for Calgary East introduced a motion before that committee. I think I can tell you now that all the members of the official opposition voted for the motion of the hon. member for Calgary East and gave rather emphatic speeches on behalf of it. Let me read you the motion, Mr. Speaker; this is his notice of motion. It has four parts, (a), (b), (c) and (d) and it reads as follows:

(a) That the Department of National Defence be asked to bring before the committee at its next meeting officials who can give us the general administrative set-up at Petawawa.

(b) That witnesses be called before the committee to outline the losses of stores, etc., which have taken place at Petawawa, and the manner in which these losses occurred.

(c) That witnesses be called to outline the accounting and other procedures in use at Petawawa and other places to prevent loss and waste of government property.

Before I read (d) to you, Mr. Speaker, I want to repeat the proposal of the government before this house at the present time, namely:

That a select committee be appointed to continue the examination of all expenditure of public moneys for national defence and all commitments for expenditure for national defence since March 31, 1950, and initially to give priority in their examination to the expenditures and commitments of the Canadian army works services as dealt with in the report of G. S. Currie, Esquire, chartered accountant, tabled in the House of Commons on December 15, 1952.

I now read section (d) of the resolution introduced by the hon. member for Calgary East and supported by all the members of the opposition whose names I have read, all of whom have spoken in this house and all of whom support his point of view. It reads:

(d) That as soon as Mr. George S. Currie has completed his investigation at Petawawa, his report be placed before this committee and that he be called for questioning on it.

Mr. George H. Hees (Broadview): Mr. Speaker, from both the Currie report and the Sellar report one thing is clear to me, and that is that the biggest business operation being conducted in this country today, namely the Department of National Defence, is being conducted on sloppy, inefficient and unbusinesslike lines. Both these reports have pointed out that little heed has been paid to accounting methods and accounting; and after all, accounting is the backbone of any successful business operation.

When he was speaking on Tuesday night, the minister made a rather startling admission. He admitted that he had not read any of the 1,185 auditors' reports dealing with conditions in his department, and that he was therefore unfamiliar with what those reports contained.

Mr. Claxton: That was also stated by me in my speech a week before.

Mr. Hees: Then I think that makes it doubly shocking, Mr. Speaker, that someone in charge of a business operation which spends over $2 billion of the taxpayers' money each year, and which spends fifty cents out of every tax dollar collected from the Canadian people, has never bothered to look at an auditor's report on the conditions existing in his department. To me that is an exceedingly startling revelation.

When he was speaking in this house on Tuesday night, the minister said that not one member of the opposition had offered a constructive suggestion as to how the irregularities

mentioned in Mr. Currie's report could have been prevented. I say to the minister that if he had paid some attention to the continuous reports of the chief auditor in his department, there would have been no necessity for Mr. Currie to make his investigation, because the conditions which necessitated that investigation would have been stamped out several years before.

If the president and the board of directors of a business corporation tried to defend this kind of negligence to the shareholders, all of them would be fired at the next annual meeting. The Prime Minister (Mr. St. Laurent) and the cabinet are the president and board of directors of this country. They have taken the position that they have nothing to excuse with regard to the administration of the defence department. They are, in so many words, condoning these irregularities brought to light by Mr. Currie, and, in so doing, are saying to all other departments, "Do not be too careful about wasting the taxpayers' money. Go ahead and waste a little, if you want to. We will not remonstrate with you."

An hon. Member: That is not true.

Mr. Hees: The government is saying, "There is lots more money where this came from. If you are a little short, we will take more from the taxpayers for you; because in the last six years we have been overtaxing the people of Canada by more than a million dollars a day in excess of what was needed to meet all requirements, and we cannot see any reason for stopping now."

And now, to show you how little the Minister of National Defence (Mr. Claxton) and others in charge of the defence department know about its operations, I would like to compare two statements made recently by the minister and his associate minister.

Speaking on this matter on December 17 the Acting Minister of National Defence, as reported at page 864 of *Hansard,* told us that the army works services consisted of 7,500 personnel. When speaking in the house on January 13 the Minister of National Defence, dealing with the army works services, said, as reported at page 937 of *Hansard,* that the army works services was made up of 765 service personnel and 3,334 civilian personnel, for a total of 4,100. There is a difference of 3,400 between those two figures, or the equivalent of an army brigade.

What I want to know is this: What happened to that army brigade in three weeks' time? It was there on December 17, but it had disappeared by January 13. If the two ministers in charge of the department can, between them, lose an army brigade in three weeks, how in the world can they expect those who are working for them to keep track of smaller items such as railway sidings, trainloads of cement, and all the other examples of unchecked waste of the taxpayers' money which was brought to light by the Currie report?

Mr. Campney: Does the hon. member wish me to make a correction now, and clear the issue up?

Mr. Hees: No, I shall be glad to have the correction made later on.

An hon. Member: You are afraid to hear it.

Mr. Fournier (Maisonneuve-Rosemont): You are afraid of it.

Mr. Dickey: You do not want to have the truth on the record, eh?

Mr. Hees: I believe this kind of inefficiency and lack of knowledge of what is going on by way of waste and extravagance in the department is just not good enough, as a national effort, to back up our young fighting men in Korea and northwestern Europe. Those young men are giving up their very best; and I believe they are deserving of the best from the department that is responsible for our whole defence effort.

There is nothing that saps the morale of fighting men quicker than the knowledge that there is inefficiency in high places; and the inefficiency in this case stems right from this government.

As a member of the reserve army between 1947 and 1951, and as one who attended Petawawa Camp in three of those four summers, I want to say that I believe the personnel in both our active and reserve forces is absolutely first-class. I feel that it is no responsibility of those fine young men and women in our armed services that the conditions brought to light by Mr. Currie existed. The responsibility lies "at or near the top" of this defence department. They, together with the whole of the government, must share the responsibility for the fact that these conditions were allowed to exist for several years, despite the fact that the auditor of the department reported such conditions on several occasions.

Mr. Studer: And you were at Petawawa?

Mr. Hees: I was at Petawawa, training to be a soldier, like other young men and women who go there to train. I was not there to build houses. I was not there to check the accounting system; I was there in training to be a fighting man.

Mr. Sinnott: And you are still dumb.

Mr. Studer: And you did not see a thing.

Mr. Hees: If you are training, my dear friend, you do not have time to see these things. You are training; you are not looking at railway sidings, bags of cement or accounting records.

Mr. Speaker: Order. I think we would make greater progress if hon. members would address the Speaker.

Mr. Hees: By ignoring proper accounting methods, and the continued warnings of the auditors within the department, I believe the Minister of National Defence, and those associated with him in running the department, threw the door wide open for wrongdoers. To me, the great wonder is, as Mr. Currie said, that far more crooks did not walk through that door than actually did walk through it. Surely it is a great credit to the young men and women of our armed services that there was not far more pilfering and dishonesty than actually developed.

The other afternoon we were entertained by the presentation of the sequel to the Currie report—the Murray report—given to us by the hon. member for Cariboo (Mr. Murray). He outlined the kind of irregularities which took place in connection with the construction of the Alaska highway during the period of the last war. According to him, what went on at Petawawa was simply child's play when compared with what went on in the construction of the Alaska highway.

All the hon. member for Cariboo succeeded in doing was to prove that this kind of waste and inefficiency in our defence department has been going on for at least ten years and, as in the present instance, the responsibility for that waste, mishandling and maladministration must be placed right on the shoulders of the government.

The people of Canada do not object to paying for the cost of defence if they feel that they are receiving value for their tax dollars.

An hon. Member: I have heard that before.

Mr. Hees: They have proved this by paying willingly for the cost of defence during two world wars and, to date, for what might easily turn out to be preparations for a third world war. Mr. Currie has discovered gross waste and inefficiency in a relatively small branch of the defence department. If the people of Canada are to continue willingly to meet the huge cost of defence, then they must be assured that this kind of waste and extravagance does not exist in all other branches of the Department of National Defence.

If, as a parliament, we fail to give them that assurance, we will be doing much to turn public opinion back to the days when taxation for defence purposes was not willingly accepted.

I believe that our obligations as a parliament, both to those in the armed services and in respect of our commitments to our allies in the North Atlantic Treaty Organization, demand action no less than that contained in the subamendment.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I do not intend to delay the house long. At the outset I must congratulate the hon. member for Spadina (Mr. Croll) on pinpointing exactly what the opposition wanted to have done some time ago. It seems to me that the man who was put in charge of digging into matters at Petawawa and who accused certain people of looting should have been able to keep track of his own papers and not allow someone to steal them. I do not think he can condemn too much what was done at Petawawa when he could not keep track of what he was doing himself.

I have no brief or sympathy for any man in the armed forces who swears allegiance to his Queen and country and then loots and pilfers at the expense of the Canadian people. The government has dealt with these matters when they have been brought to their attention and it has been pointed out that twelve of these men are now in penitentiary.

Every business in Canada allows for certain losses occurring, but in the armed forces it is a different matter. When a man swears allegiance to his Queen and country he should live up to his signature. I understand that the items referred to by Mr. Currie in his report total in the neighbourhood of $50,000, much of which has been recovered. I am not talking about the horses that were referred to at Petawawa, but it does seem to me that at this time we are simply beating a dead horse.

The amount not recovered is no more than $15,000 or $20,000, and up to the present time we in this house have used $70,000 worth of time debating. We had better cut this out if we have any interest in the Canadian public dollar. If the Leader of the Opposition (Mr. Drew) and members of the opposition parties are interested in saving money they should stop talking and get down to business and, at the earliest opportunity, see what this Currie report has to say.

Mr. Solon E. Low (Peace River): Mr. Speaker, before the vote is taken I should like to speak for one moment on the subamendment proposed by the C.C.F., and make the position of the Social Credit group clear to the house. Members of our group have not done overmuch talking about the Currie

report. I think I am correct when I say that thus far only three of us have entered into the debate. I spoke very briefly when the report was tabled, I think on December 16, and placed our position before the house as clearly as I could, having had only a brief time in which to examine the recommendations of Mr. Currie. The hon. member for Wetaskiwin (Mr. Thomas) spoke on January 15 and outlined our position a little more fully. The hon. member for Red Deer (Mr. Shaw) spoke on January 16 and expanded somewhat on what had been said already.

Let me make it clear that the members of our group have not felt that we should strain at this matter. We felt that it was our responsibility to examine most carefully into the report and to see what could possibly be done to correct or help to correct the situation that has developed within the army works services. We felt right from the beginning that in his report Mr. Currie had revealed a shocking state of affairs within the army works services, a state of affairs that has caused considerable uneasiness to the people from one end of Canada to the other, a state of affairs that has resulted in the loss of many thousands of dollars of the taxpayers' money.

We have tried to keep a balance in all that we have said or done in connection with the report and in the part we have taken in the debate thus far. We do not want to go overboard in an effort to make of this an election or political issue because we felt that we would like to know all that we could possibly learn about both sides of the question. We have felt that the government has been at fault in a good many ways and we have felt that to merely correct the accounting system and the security system which had been allowed to become loose and lax is not enough.

We have stated from the beginning that we felt that after doing everything possible to tighten up and improve the army works services accounting and administration systems, the government should then undertake a thorough and complete investigation of the whole Department of National Defence in all its branches from one end of the country to the other. We feel that it is necessary to investigate all branches of the Department of National Defence and the Department of Defence Production to see if there are not other places where a saving of the taxpayers' money could be effected.

The hon. member for Red Deer has pointed out on two different occasions that he has evidence which indicates that there must be serious losses in connection with defence construction, which evidence he is prepared to present at the proper time. We call upon the government to institute a wide investigation into defence construction activities from one end of the country to the other, into the granting of contracts and all that sort of thing that needs to be investigated. We are satisfied that much more serious losses will be revealed than have been revealed at Petawawa.

As a consequence we felt that we could not lay undue emphasis upon the Currie report, particularly in view of the fact that the government has given evidence that it is trying to close up the gaps, to tighten up the administrative and accounting systems which will make impossible the things that have happened in the past and which were revealed in Mr. Currie's report.

We did not enter into the discussion with respect to how a copy of the report got into the hands of the C.C.F. We felt that was a matter which did not concern us too greatly. All I can say is that I am most thankful that nobody came to me and offered me an advance copy of the report. I am glad that I did not have it. It was soon enough for me to get it when it was tabled in the house. Entirely aside from who was responsible and whether it was stolen or not, we felt that we should not help to bog down the discussion in this house on a matter that did not concern us too much.

What does concern us is what can be done from here on. We do not think that a mere consideration of defence expenditures by a committee of this house is enough. We feel that nothing short of a complete judicial inquiry into all phases of defence expenditures and commitments, including defence construction, will suffice. I think the people of this country are demanding just that sort of thing. They are certainly getting tired of hearing of horses and nags and all the other things that have been bandied about for some weeks. They want action and I think they expect this house to settle down to business now and get action as quickly as we possibly can.

At first, Mr. Speaker, we felt that we could not support the C.C.F. subamendment because it did not go as far as we wanted it to go. We felt that merely asking Mr. Currie to continue an investigation in the field of defence expenditures and commitments was not nearly enough and we did, as I say, call for a full judicial inquiry into all phases of defence expenditures and commitments. However, since the first speeches were given in the house on the Currie report we have listened carefully and have tried to measure as carefully as we possibly could all of the evidence. A number of things have been

brought out that have changed our views a bit, and we find ourselves at the present moment in favour of the C.C.F. subamendment and will vote for it as the next best thing to a judicial inquiry.

It does not seem possible to get a judicial inquiry out of the discussion that we are carrying on here at the present time. Therefore we are prepared to support the C.C.F. subamendment, and we hope that the committee will get down to business as quickly as possible and will not only investigate the Currie report but will launch out and investigate all these other things that a good many of the members, including the hon. member for Red Deer, would like to have investigated. I name particularly defence construction contracts.

The house divided on the amendment to the amendment (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Adamson	Johnston
Argue	Jones
Aylesworth	Knight
Beyerstein	Knowles
Black (Cumberland)	Lennard
Blackmore	Low
Blair	Macdonnell (Greenwood)
Brooks	MacInnis
Browne (St. John's West)	MacLean (Queens)
Bryce	McGregor
Casselman	McLure
Catherwood	Nickle
Churchill	Noseworthy
Courtemanche	Nowlan
Dinsdale	Pearkes
Drew	Poulin
Fair	Quelch
Fairclough, Mrs.	Ross (Souris)
Ferguson	Rowe
Fleming	Shaw
Fraser	Spence
Fulton	Starr
Gagnon	Stewart (Winnipeg North)
Gibson	Thatcher
Graydon	Thomas
Green	Tustin
Harkness	White (Hastings-Peterborough)
Hees	Wright—58.
Herridge	
Hodgson	

NAYS

Messrs:

Anderson	Bradette
Applewhaite	Bradley
Ashbourne	Breton
Balcom	Brisson
Bater	Bruneau
Beaudoin	Byrne
Benidickson	Cameron
Bennett	Campney
Blanchette	Cardin
Blue	Carroll
Boisvert	Carter
Boivin	Cauchon
Bonnier	Cavers
Boucher	Chevrier
Bourque	Clark
Claxton	Larson
Cleaver	Leduc
Corry	Lefrançois
Cote (Matapedia-Matane)	Leger
Cote (St. Jean-Iberville-Napierville)	Lesage
Crestohl	Macdonald (Edmonton East)
Darroch	MacDougall
Dechene	MacKenzie
Decore	MacLean (Cape Breton North and Victoria)
Demers	MacNaught
Deslieres	McCulloch
Dewar	McCusker
Dickey	McDonald (Parry Sound-Muskoka)
Dumas	McIlraith
Dupuis	McIvor
Eudes	McMillan
Eyre	Major
Ferrie	Masse
Fontaine	Monette
Fournier (Hull)	Mott
Fournier (Maisonneuve-Rosemont)	Murray (Cariboo)
Fulford	Murray (Oxford)
Gardiner	Pearson
Garland	Picard
Garson	Proudfoot
Gauthier (Lake St. John)	Prudham
Gauthier (Lapointe)	Ratelle
Gauthier (Portneuf)	Richard (Ottawa East)
Gauthier (Sudbury)	Riley
Gingras	Robertson
Goode	Robinson
Gour (Russell)	Rochefort
Gourd (Chapleau)	Rooney
Gregg	Ross (Hamilton East)
Harris	Rousseau
Harrison	St. Laurent
Healy	Schneider
Hellyer	Simmons
Helme	Sinclair
Henderson	Sinnott
Henry	Smith (Moose Mountain)
Hetland	Stick
Huffman	Stuart (Charlotte)
Hunter	Studer
James	Tremblay
Jutras	Valois
Kickham	Viau
Kirk (Antigonish-Guysborough)	Ward
Kirk (Digby-Yarmouth)	Warren
LaCroix	Weir
Lafontaine	Welbourn
Laing	Whiteside
Langlois (Berthier-Maskinonge)	Whitman
Langlois (Gaspe)	Winkler
Lapointe	Wood—140.

Mr. Cruickshank: I was paired with the hon. member for Cape Breton South (Mr. Gillis).

Mr. Black (Chateauguay-Huntingdon-Laprairie): I was paired. Had I voted, I would have voted against the subamendment.

Mr. Angus MacInnis (Vancouver East): Members of this group intend to vote against the amendment, Mr. Speaker, and I want to say a few words before the vote is taken to indicate why we are taking that position. The member for Spadina (Mr. Croll) made what he thought was a telling point when he claimed that members of the official opposition, last year at a session of the defence

expenditure committee, had moved that when the Currie report was tabled it be referred to that committee. There may be members of the house who think that this amendment does refer the Currie report to the committee. My contention is that it does not do anything of the kind.

The Minister of National Defence (Mr. Claxton) moved, seconded by the Secretary of State for External Affairs (Mr. Pearson):

That the motion be amended by inserting after the words "March 31, 1950", in the fourth line thereof, the following:

"and initially to give priority in their examination to the expenditures and commitments of the Canadian army works services as dealt with in the report of G. S. Currie, Esquire, chartered accountant, tabled in the House of Commons on December 15, 1952."

There is nothing said here about referring the Currie report to the committee. What it does state is that the items referred to in the Currie report be examined by the committee, and, indeed, be given priority, which is a very different thing.

We are voting against the amendment because it does not refer the Currie report to the committee. It does not instruct the committee to consider the recommendations in the Currie report. All it does is instruct the committee, as its first task, to inquire into the very same matters as Mr. Currie has already inquired into. I maintain, Mr. Speaker—I am not allowed to impute motives—that the only result of the adoption of this amendment will be to prevent the committee doing anything except to hash over what has already been hashed over in this house for the last two weeks. That is the purpose of the amendment, and it could have no other purpose.

Why does the government want that to be done? As has been said, the government wants that to be done because, while the government accuses the opposition of playing politics with this report, the government is going to play politics with the report the moment that report comes into the committee. For that reason every member in this house who is interested in the honest administration of this country's affairs, every member in this house who feels appalled, as the general public feels appalled, at what was revealed in the Currie report should, regardless of his party affiliation, vote against this amendment. If there needs to be anything further done in that regard, it should have been done by adopting the amendment moved by the member for Winnipeg North Centre (Mr. Knowles).

Regrettably, it seems to me, the government has tried to belittle the Currie report; to make light of it and to laugh at it.

[Mr. MacInnis.]

No matter how generous we want to be to the Department of National Defence, what was revealed in the Currie report is most appalling and should be considered seriously by this government. I should like to have spoken at length on this matter, and if the debate had continued a little longer I would have done so. If the government wants the people of this country to believe that they are interested in the honest administration of the Department of National Defence, for which the people of Canada are paying such a large amount of their taxes, not only for the defence of this country but for the defence of the free world, they should stop this quibbling, this manoeuvring for political position, and let this house and the government get at the facts.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct my remarks only to the amendment before us and to the reasons why that amendment will be opposed by myself and, I believe, by the members of the party to which I belong. We have already indicated quite clearly that we disapprove strongly of this amendment and the manner in which it was introduced. It is accepted that this procedure is within the rules; nevertheless it establishes a highly unsatisfactory practice. In order to vote for a wider inquiry, it became necessary for us to support a subamendment which embraced the motion now before us. I explained why we would vote for the subamendment as we have voted for it. The amendment is now before us and I propose to vote against that amendment. In doing so, however, there are one or two points I wish to emphasize and I also wish to deal with a point raised this afternoon.

Some attempt was made to suggest a measure of inconsistency by reference to a motion made in the committee on defence expenditure on April 29 last by the hon. member for Calgary East (Mr. Harkness). The motion which has been referred to was a motion consisting of four paragraphs, one of which dealt with Mr. George S. Currie and the report he was to present. I submit that the way in which this reference has been introduced at this time is merely indicative of the extent to which the government and its supporters refuse to face the reality of the situation which is before us. Every device by which attention can be diverted from the real issue is employed by those who should be insisting upon a full inquiry if any of the arguments they made at that time in that committee had any real validity at all.

They opposed this motion for many reasons. They opposed this motion and voted it down

in the same way that every attempt before that committee to get facts was voted down. But anyone with any desire to understand the facts would know perfectly well that the motion as presented contemplated the return of the report by Mr. Currie during the life of that committee a year ago. The motion could have had no other meaning and no other thought. That was a year ago. The government did not want that report then; its supporters on the committee did not want that then. This man they had appointed was going to conduct an inquiry which would answer all these questions. They chose that course. They have received that report which is before us; and now a year later they suggest that it is wise for them to follow a course which they considered unwise a year ago.

Their inconsistency is this. If they really wanted to get at the facts, then was the time to do it. But no; they welcomed the postponement. They received the report. They delayed as long as possible its presentation to this house. Then when the report is before us they seek, by every device possible, further to postpone action on this report and also to prevent the possibility of that wider inquiry which is the only thing that we really need now.

The hon. member for Vancouver East (Mr. MacInnis) has emphasized a point which might well be borne in mind by every hon. member of this house who will for a moment think of what we are really dealing with at this time. We are dealing with the preparation of the defences of Canada, the taxpayers' money, and the possibility of ending the extravagance, waste and theft disclosed by the Currie report. That is what we are dealing with. Every cent that is wasted; every cent that is lost by the theft of goods; every cent that disappears as a result of the wholesale looting which took place means added taxes to the people of Canada. That is one of the reasons why this matter calls for a wider inquiry into the whole field covered by the administration which invited theft and looting of this kind.

The hon. member for Vancouver East has pointed out that this resolution now before us does not refer the Currie report to the committee but that it refers, for prior consideration of the committee, the subjects dealt with by Mr. Currie in conducting his inquiry which was the basis of this report. If the hon. members of this house support this resolution, they should recognize the fact that they are passing a resolution which is designed to sidetrack the Currie report and to conduct another inquiry into the same area, although that inquiry was denied when the proposal was made by the hon. member for Calgary East before the defence expenditure committee on April 29 last year.

Let us once again recall what it is that is under consideration. A man with a distinguished record in the army in the first world war, with a high reputation as an accountant and with a respected reputation as deputy minister of national defence during the last war, undertook this task at the request of the government and conducted the inquiry they directed. They chose this great man, as they described him. We have accepted their estimate of that man. We are consistent in our acceptance of that estimate by saying that this man, with the qualifications which he possesses, should be permitted to extend that inquiry into the remaining part of the area of administration of the Department of National Defence which will expend this year over $2 billion of the taxpayers' money.

If that man was the great man described by the government, and if they accept even in a substantial measure the accuracy of his findings, then surely the first obligation of this government to our young men and young women in uniform and to the taxpayers whose money is being wasted and squandered, as disclosed in this report, is to appoint Mr. Currie to carry forward the investigation into every nook and cranny of a department whose administrative supervision of its responsibilities has broken down in the manner described.

That is what should be done. This motion is simply further delaying action by the government. It is drafted in a way that permits the government to sidetrack the report itself, to point to the wording of the report and say, "What you are told to consider in this committee is the subject matter that Mr. Currie dealt with, and to make your findings on that subject matter."

This house has debated the question for some time. Various opinions have been expressed. The answer of the government is, first of all, that the report of Mr. Currie in certain cases uses exaggerated language to describe events; and moreover, in so far as it makes recommendations, the government says in effect, "We have done most of these things that are suggested."

If this last assertion were so, then what earthly use would there be in having a further inquiry into a subject matter already covered by the report? Obviously if the government has acted, then that is finished business. The two arguments do not go hand in hand; it is one or the other.

The fact is that appropriate action has not been taken. The fact is that appropriate

action has not followed the findings. The fact is that there is no assurance and that there can be no assurance in the minds of the people of Canada that this long inquiry by this highly regarded expert is to produce any effective results on behalf of the heavily burdened taxpayer, or for the men and women in the uniform of Canada who are serving in different parts of the world today.

The government may not welcome repetition; it may not welcome discussion of this subject; but once again I urge every hon. member to recognize the evasive way in which this motion has been drawn and to vote according to his conscience. May I also urge that even at this late stage in the debate the government accept its responsibility, its duty to the men and women in uniform, its duty to the people of Canada, and say that it will direct Mr. Currie, or someone of equal competence, to continue this investigation into the large area not yet touched, and make a report which can result in savings of scores of millions of dollars to the taxpayers of Canada, as well as greater efficiency in the administration of that department upon which our security depends.

Some hon. Members: Question.

The house divided on the amendment (Mr. Claxton) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Balcom
Bater
Beaudoin
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourque
Bradette
Bradley
Breton
Brisson
Bruneau
Byrne
Cameron
Campney
Cardin
Carroll
Carter
Clark
Claxton
Cleaver
Corry
Cote (Matapedia-Matane)
Cote (St. Jean-Iberville-Napierville)
Crestohl
Croll
Darroch
Dechene
Decore
Demers
Denis
Deslieres
Dewar
Dickey
Dumas
Dupuis
Eudes
Eyre
Ferrie
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Garland
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gingras
Goode
Gourd (Chapleau)
Gregg
Harris
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Hetland
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrançois
Leger
Lesage
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McMillan
Major
Masse
Monette
Mott
Murray (Cariboo)
Murray (Oxford)
Pearson
Picard
Power
Proudfoot
Prudham
Ratelle
Riley
Robertson
Robinson
Rochefort
Rooney
Ross (Hamilton East)
Rousseau
St. Laurent
Schneider
Simmons
Sinclair
Sinnott
Smith (Moose Mountain)
Stick
Stuart (Charlotte)
Studer
Tremblay
Valois
Viau
Ward
Warren
Weir
Welbourn
Whiteside
Whitman
Winkler
Wood—136.

NAYS

Messrs:

Adamson
Argue
Aylesworth
Beyerstein
Black (Cumberland)
Blackmore
Blair
Brooks
Browne (St. John's West)
Bryce
Casselman
Catherwood
Churchill
Courtemanche
Dinsdale
Drew
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser
Fulton
Gagnon
Graydon
Green
Harkness
Hees
Herridge
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Low
Macdonnell (Greenwood)
MacInnis
MacLean (Queens)
McGregor
McLure
Nickle
Noseworthy
Nowlan
Pearkes
Poulin
Quelch
Ross (Souris)
Rowe
Shaw
Spence
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
Wright—57.

Mr. Cruickshank: I was paired with the hon. member for Cape Breton South (Mr. Gillis).

Mr. Black (Chateauguay-Huntingdon-Laprairie): I was paired. Had I voted, I would have voted in favour of the amendment.

Mr. McCubbin: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted, I would have voted for the amendment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

Some hon. Members: Oh, no!

Mr. Knowles: Mr. Speaker, I would be disappointed on rising to speak on an occasion such as this if I were not greeted with the groans that I heard a moment ago from the Liberal benches.

Mr. Graydon: Groans from the roans.

Mr. Knowles: My purpose in intervening in this debate once again is to have something to say about an issue which it seems to me is extremely important but about which very little has been said. Indeed, I doubt if anything has been said about it during the course of the debate at the various stages of the proposition under discussion. It is an issue with reference to defence expenditures concerning which there seems to be a sharp difference of opinion between the Auditor General and the Department of National Defence.

Earlier in the debate I had something to say about what I referred to as the blast by the department at the Auditor General. The Minister of National Defence (Mr. Claxton) took exception to that language when he spoke on January 20, 1953. As recorded at page 1174 of *Hansard*, this is what he said:

> Now, sir, the hon. member for Winnipeg North Centre referred to our uttering a blast upon receipt of the report of the Auditor General. There was no blast. The Canadian Press, the British United Press, and other sections of the press asked for comments on the background of the Auditor General's report and a statement was issued which gives some of the background.

Before I go into the specific question which is at issue between the Auditor General and the Department of National Defence, and which gives me concern, may I draw the minister's attention to the comments that appear in Arthur Blakely's column in this morning's Montreal *Gazette* with reference to the statement of the Minister of National Defence which I just read. In his column, "Ottawa Day by Day", Arthur Blakely says, after quoting the statement of the minister to which I have referred:

> But the explanation wasn't strictly accurate. Newspapermen who received the defence department statement criticizing the Auditor General hadn't requested one. It appeared out of the blue and was distributed long before most correspondents had received copies of the Auditor General's report but not before, evidently, the anonymous defence department spokesmen had received and scrutinized theirs.

Let me say, Mr. Speaker, that I have obtained a copy of the document to which the minister referred. He entitled it "Background material". It is a mimeographed document of some eight pages and it is headed, "Department of National Defence, background material in connection with defence references in the report of the Auditor General for the year 1951-52". It bears no signature, and thus there would seem to be some point to Arthur Blakely's description of it as coming from anonymous defence department spokesmen who had had an opportunity to scrutinize the report of the Auditor General and prepare replies to his comments, which replies appeared in the press on the same day the press carried a story on the Auditor General's report itself.

Mr. MacInnis: How did it get into their hands?

Mr. Knowles: The hon. member for Vancouver East (Mr. MacInnis) wonders how that advance copy of the Auditor General's report, which report was tabled in parliament by the Minister of Finance (Mr. Abbott), got into the hands of these anonymous spokesmen for the Department of National Defence.

Mr. MacInnis: Another case for the mounted police.

Mr. Knowles: That is an inquiry that might profitably be pursued. However, my purpose in rising at this time is not to deal with these very interesting aspects of the matter but with a matter of real substance on which, as I say, there seems to be a difference of opinion between the Department of National Defence and the Auditor General. Before I go into that, may I say a few words of a general character about this mimeographed document entitled "Background material". I have no quarrel with any person, department or organization coming to its own defence when attacked; but it does get a bit monotonous to discover that, so far as the Minister of National Defence and his department are concerned, they are always right. It does not matter what complaint is made, it does not matter what criticism is levelled, there is always a perfect answer, so far as the minister is concerned. Therefore when the Auditor General's report was tabled in the house on Monday, January 12, that same day the press was put in a position to carry answers from the Department of National Defence to every paragraph in the report of the Auditor General that referred to that department.

The answers all make it clear, of course, that what the Department of National Defence had done was really all right or it

was by understanding with the treasury board or that the matter had been sufficiently dealt with. However, let me get down to the issue in the dispute between the Auditor General and the Department of National Defence which I think is the most important one. It is found in paragraphs 56, 57 and 58 of the Auditor General's report which appear on pages 24 and 25 thereof. These paragraphs, the numbers of which I have just given, deal with several questions but in the main they deal with the manner in which the auditing of stores is conducted by the defence department. Mr. Watson Sellar, the Auditor General, points out in paragraph 56 (b) the following:

> Long-term usage is to regard stores as service property with responsibility for accounting and custody vested in various components of the service forces. The consequence is that no civilian authority answerable to parliament exercises direct control after procurement.

Now, Mr. Speaker, in the light of what has happened, which we have been discussing in relation to the Currie report, and in the light of the importance of parliamentary control over monetary and financial matters, I submit that this is a very important question upon which the Auditor General has put his finger; namely, that the set-up in the Department of National Defence is now such that these stores, the purchase of which parliament authorizes, which can run into millions and hundreds of millions of dollars, are being checked and audited by a system which is removed from direct responsibility to parliament.

In the document to which I referred, and which I originally called a blast back at the Auditor General, the Department of National Defence makes it clear that Mr. Watson Sellar is perfectly correct in his analysis of the situation. It is made clear from both these documents that what we have is a situation something like this. The deputy minister of national defence is regarded as responsible only to see and to satisfy himself that the chiefs of each of the services, the chiefs of staff, have an auditing system which is satisfactory. Beyond that, the responsibility for auditing and the responsibility for the care of these millions and hundreds of millions of dollars worth of goods that have been procured rests solely with the chiefs of the various staffs. In other words, if I may quote the language of the Winnipeg *Free Press* which happens to be on the side of the Auditor General and against the Department of National Defence in this matter, the deputy minister by this set-up has been reduced to the status of an errand boy.

[Mr. Knowles.]

The Department of National Defence, in my view, completely missed the point in Mr. Watson Sellar's paragraph 56 (b), because their answer to it in "Background material" is just a very simple sentence which reads:

> The minister of the department is answerable to parliament for the stores held by the services.

It seems to me that is a very academic statement to make. The minister can stand up and say that he is responsible for everything that goes on in his department and all that sort of thing, but after the goods have disappeared, after it has turned out that the auditing system does not meet the scrutiny of an eye like that of Mr. Watson Sellar, or the scrutiny of Mr. Currie, it is not much use for the minister to say to parliament or through this memorandum that he is responsible.

The Winnipeg *Free Press*, as I say, deals very fully with this in an editorial which appeared in the issue of Saturday, January 17, 1953. It quotes in that editorial the main part of paragraph 56, together with some other material in that section of the Auditor General's report; and it also quotes the reply which was made by the Department of National Defence in its document entitled "Background material". After having quoted the pertinent paragraph from "Background material", the Winnipeg *Free Press* goes on to say:

> With all deference to whoever wrote the foregoing, it must be said that to discard, demote or nullify the deputy minister in this fashion, the present law notwithstanding, is a reversal of sound practice. Moreover, to exalt the chiefs of staff in this way is to revert to the commander-in-chief principle of military organization which consistently and disastrously failed in Great Britain and was finally abandoned early in the present century. To abolish this chief of staff mastery was, perhaps, the greatest achievement of the famous Haldane reorganization and reform of the British army. It is shocking to discover that such antiquated ideas of army, air force and navy organization not only exist but are in operation at Ottawa.

The paragraph in the material from the Department of National Defence which the *Free Press* is criticizing, in the quotation which I have just read, is a paragraph which reads in part as follows:

> The point which the Auditor General is endeavouring to make is obscure.

Well, right off the bat these anonymous spokesmen for the Department of National Defence admit that they did not understand the point that was being made by the Auditor General, so I do not see why they should so readily rush into print with an answer to it. They go on to say:

> Stores purchased for the Canadian forces may only be used for those forces except where parliament has given authority for their use for other

purposes. Parliamentary grants do not distinguish between moneys for reserve stores and maintenance stores nor would it be desirable to segregate these for the reasons given with reference to audit note No. 56. In so far as a distinction between service and departmental accounting responsibilities is concerned, each chief of staff is responsible under the National Defence Act for the control and administration of his service.

That is the position taken by the Department of National Defence with respect to the care for these huge quantities of stores, that each chief of staff is responsible; not the deputy minister, not the minister, but the chiefs of staff.

Let me go on and indicate a point I made a moment ago, namely that the minister of the department takes the view that the only responsibility of the deputy is to be satisfied as to the kind of accounting system that the chiefs of staff are using. This is the position taken by the department:

If by departmental, the Auditor General has reference to the deputy minister and his staff, the responsibility of this officer extends only to an examination on behalf of the minister of the manner in which the accounting operations are being carried out by each service.

That is the statement, that is the view that is advanced of what is going on in the Department of National Defence which even the very Liberal Winnipeg *Free Press* cannot take and against which it has made the comment in the paragraph I quoted from that paper a moment ago.

I recognize that the language I used when I referred to this material as a blast may have been offensive to the minister, but it was not uncalled for. I am still puzzled as to how that department was in a position, so soon after the tabling of the Auditor General's report, to make these replies of theirs to points in the report. I am even more puzzled, if Arthur Blakely's comment is correct, over the fact that some newspapermen had this background material from the department, these answers to the Auditor General's report, even before they had the Auditor General's report itself.

Mr. Claxton: Might I clear that up?

Mr. Knowles: You mean right now and then I will go on? Certainly.

Mr. Claxton: We had inquiries during the morning from members of the press gallery as to background material, and that was being prepared during the afternoon. It was released to those members of the press gallery who had asked for it at 6 p.m. The report of the Auditor General was, of course, available to everyone at that time; and other members of the press gallery said well, we want copies too; so they were made available at that time.

Mr. Knowles: I am very glad to hear that explanation from the minister. He now tells us that the request for this information came to the department during the morning of January 12, and that the material was prepared and made available to them by six o'clock that evening. The Auditor General's report, of course, was tabled in this house at 2.30 o'clock that afternoon. Well, that is efficiency which we do not always find in the Department of National Defence, in that it was possible between 2.30 in the afternoon when that report was tabled and six o'clock to prepare and distribute an eight-page mimeographed document answering in technical language all the technical points set out in the Auditor General's report.

However, Mr. Speaker, I leave that part of the matter for those interested to pursue; but I do raise this matter of substance in the hope that the committee will go into it very carefully. It seems to me it may well be that one of the reasons we have had the scandals at Petawawa, one of the reasons we have had the things exposed that were revealed in the Currie report, is this kind of set-up with respect to these stores where there is that gap in responsibility between the civilian authority, namely the deputy minister acting for his minister on the one hand, and the chiefs of staff on the other. We urge very strongly that there should be no diminution of the practice of the principle of parliamentary control over the moneys we vote, and over the use of the stores that are purchased with that money. Parliamentary control of these stores must not disappear or be diminished in any way. That is what has happened as a result of this change in the set-up in the department. In my view the position should be changed back again at the earliest possible date, so there will be a complete responsibility for the auditing at the level where there is direct responsibility to parliament.

I recognize what this may mean in terms of more work at the deputy ministerial level. I realize what it may mean in terms of more work at the ministerial level. It may require more deputy ministers or it may require more ministers in the Department of National Defence, if this department is going to be such big business as it is. But in terms of parliamentary authority over these things there is a principle here that we simply must not let go. I recognize the tremendous amount of work and physical labour that must be involved when the minister has to sign his name hundreds of times every day. Even so, I think we were all amazed to have him tell us that he had not looked at any of the reports of the chief auditor in his own department, and that the deputy minister had looked at only a few of them.

When you add all those things together, that lack of concern in studying these reports and the fact that this gulf has been created between the responsibility of the minister and the responsibility of the chiefs of staff, you have a situation which I suggest may have helped create the open doors referred to in Mr. Currie's report. One of the things that interest me about the Auditor General's report is the way he can deal with very important issues in the most moderate language. I find, for example, that his language in paragraph 58 is most restrained. He says:

Once procurement has been completed, it is the practice in some commonwealth countries—

Implying there that it has not yet been recognized as the practice in Canada.

—to regard issues for immediate requirements of the services as outside parliament's concern; all other holdings are regarded as still of parliamentary interest.

Then he shows the basis upon which that decision has been taken in some commonwealth countries, but not in Canada. He goes on to say:

Should this view—

The view that there are certain stores that are beyond parliamentary concern.

—be regarded as suited to Canadian requirements, attention is drawn to the need for the establishing of a dividing line between service and departmental accounting responsibilities.

In other words, Mr. Sellar admits that government policy is not his business. He merely comments on what is happening, and government policy rests with the government and whatever it can get through parliament. It seems to me that paragraph 58, taken along with paragraphs 56 and 57, indicates very clearly that, so far as Mr. Sellar is concerned, he does not approve of this practice of drawing a line between the two types of stores and allowing this huge quantity of stores to get into places where it is beyond accounting scrutiny that is directly responsible to parliament.

It is that issue which prompted the Winnipeg *Free Press*, in its editorial of January 17, 1953, on the defence department, to express the hope that the practice now being followed will be changed. The Winnipeg *Free Press* says:

Whatever else it may do, "Background Material" proves conclusively that there are grave weaknesses in the present organization of the Department of National Defence."

This is what I am talking about now. For the moment I am not complaining against any persons. I am not even repeating my complaint about the attitude of the top brass, and that sort of thing. What I am talking about now is the organization. Perhaps the minister will say this is provided for in the new National Defence Act. The *Free Press* admits that may be the case, and says if that is so then the act ought to be changed. The editorial goes on:

Would it be asking too much of the members of the government that they study the Esher report, the Haldane reforms, such textbooks on military as those written by the late Spenser Wilkinson, the former Chichele professor of military history at Oxford and examine the present organization of the British army, air force and navy?

There is a long, interesting, and exceedingly rewarding history in this regard and quite clearly the structure of our defence department at Ottawa is faulty.

Army organization is not and should never be a party or political matter. It is not a case of votes or constituencies. The need is for efficiency in the armed services and "Background Material"—

That is this document which was prepared and made public on the day the Auditor General's report was laid on the table of parliament.

—indicates all too clearly that our air force, army and navy are organized upon lines which make efficiency unattainable.

I submit, Mr. Speaker, that the charges in that editorial in one of the most prominent Liberal newspapers in the country, the Winnipeg *Free Press*, provide an even greater challenge to the government, and to the defence expenditure committee, than the Currie report or the Auditor General's report. There is a clear suggestion that the organization that is now in effect, particularly with respect to the handling of these huge quantities of stores, in the words of the *Free Press*, "makes efficiency unattainable". I hope, Mr. Speaker, that the defence expenditure committee will go into this important phase of the matter and make appropriate recommendations back to parliament.

Mr. George A. Drew (Leader of the Opposition): I merely wish to state why I shall be supporting the motion. This motion is actually for the purpose of setting up a committee which we have asked to have appointed for some considerable time. We will support the motion to set up this committee. In doing so, however, and in spite of the amendment which has been passed which ties the hands of that committee to some extent, I would hope that on this occasion the committee will make a serious effort to open up an inquiry into the accounts and not continue to be the kind of whitewashing committee which it has been in the past.

In view of the statement that has been repeated by members of the government to the effect that the defence expenditure committee has dealt with certain questions on certain occasions and found everything to be

satisfactory, I should like to remind hon. members that no minority report is permitted from committees of this house. With respect to the defence expenditure committee, in many cases the majority reports have not represented the opinions of the members of other parties.

This is not the time to discuss the rules of the house. I would hope that before this committee deals with the subject matters which come before it and is ready to report, the government will give consideration to the advisability of making provision for minority reports. In this way there could be an expression of opinion on the part of those who seek to place before the house ideas as to the way in which changes could be made for the benefit of the people of Canada. This committee can perform a great service if it is free to do so. But past experience is not encouraging. I urge the government to take off the shackles and indicate its desire, so that the measure of the uniformity of opinion which has so often asserted itself on the part of members on the other side might conceivably assert itself again to the advantage of the people of Canada rather than to the advantage of this government.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the main motion. The Prime Minister (Mr. St. Laurent) moves, seconded by the Minister of Finance (Mr. Abbott), that a select committee be appointed, and so on. Shall I dispense?

Some hon. Members: Dispense.

Mr. Knowles: On the motion as amended.

Mr. Deputy Speaker: Yes, as amended. Is it the pleasure of the house to adopt the motion as amended?

Some hon. Members: Agreed.

Motion as amended agreed to.

PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, with the consent of the house may I now submit to you the names of those who are to make up the members of this committee on defence expenditure?

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Weir moved:

That the following members compose the special committee on defence expenditure: Messrs. Adamson, Applewhaite, Benidickson, Bennett, Blanchette, Boisvert, Cannon, Cavers, Crestohl, Croll, Dickey, Fleming, Fulton, George, Gillis, Harkness, Henderson, Jutras, Larson, Macdonnell (Greenwood), McIlraith, Pearkes, Power, Stick, Thomas and Wright.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is difficult to do the arithmetic that one might like to do when those names are read out quite so fast. I might say that is no reflection on Your Honour for reading them quickly. But the question arises as to the make-up of this committee with regard to representatives from the various groups in the house. I would hope that we might be given some information as to how many of those named represent the government side of the house and how many represent the groups on the opposition side. Notwithstanding the general practice that committees conform, roughly, to the proportions of groups in the whole house, it is my strong view that this is a committee which is so important that it should be more evenly balanced. I made the suggestion earlier and I repeat it now—

Mr. Deputy Speaker: Order. I was listening to the hon. member carefully, and I do not think he is in order when he wants to discuss on this resolution the method whereby the various members are apportioned among the parties to which they belong.

Mr. Knowles: Mr. Speaker—

Mr. Deputy Speaker: Order. I quite understand the position of the hon. member; but presumably the practice has been that the whips, to a certain extent, provide the names of those who will be members of the committee; I refer to the whips of the various parties. Then a motion is moved by the whip of the government party. If there are any difficulties as to the number by party, I would suggest that the matter might be discussed on a different occasion. At the moment what we have before us is a motion that the members whose names I have read out shall comprise the membership of the committee which was set up by the motion adopted just a moment ago.

Mr. Knowles: Mr. Speaker, if we had in our hands the list of names which you have in your hand, I take it that it would be—

Mr. Deputy Speaker: Order. If I may do so, I should like to say this at this stage, following the remarks that have just been made by the hon. member. When the hon. member for Portage-Neepawa (Mr. Weir) asked for leave to introduce this motion setting out the names, at that stage the hon. member for Winnipeg North Centre should have objected and asked him to wait until they appeared on the order paper. But he has not asked that; he has given his consent

that this motion be made at this time. I therefore think that if he has any representations to make, he should make them later on. Does the hon. member wish me to read the names again?

Mr. Knowles: No.

Mr. Deputy Speaker: It is merely a formal motion, which I do not think is debatable.

Mr. Knowles: There is no point in the names being read again, Mr. Speaker. If Your Honour or the mover would allow the motion to stand until later, the purpose would be served. My point is this, and I will stick to it. The motion proposes certain names. On the motion proposing certain names surely it is in order for us to suggest that too many of those names are from one party, that some of them should be withdrawn and that names from the other side of the house should be put on in order to balance the committee.

Some hon. Members: Oh, oh.

Some hon. Members: Order.

Mr. Knowles: From the chorus on the other side of the house I take it that the proposal for an equal balance is not acceptable to the government members.

Mr. Deputy Speaker: May I tell the hon. member that what are being proposed are not certain names; the motion is that a gentleman designated by name and other members designated by name be members of the committee. If the hon. member wishes to be in order in discussing these names which are submitted, he must object to certain names being included in the list. Is the motion agreed to?

Some hon. Members: Agreed.

Motion agreed to.

NATIONAL DEFENCE ACT

PROVISION FOR APPOINTMENT OF ASSOCIATE MINISTER OF NATIONAL DEFENCE

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the National Defence Act to provide that the Governor General may at any time appoint an associate minister of national defence at a salary of ten thousand dollars per annum.

Mr. Deputy Speaker: Is the motion agreed to?

Mr. Drew: I trust that the Prime Minister is going to explain the reason for this motion.

Mr. St. Laurent: I have a statement to make, Mr. Speaker. As the hon. gentleman knows, I have previously suggested that the time the motion that you leave the chair is made would not be the proper time for a statement to be made in support of the resolution. I do not want to enter into a procedural debate at this time, and if hon. gentlemen prefer that I make the statement now I am quite prepared to do so, merely suggesting that when the committee to consider the rules is carrying on its deliberations, attention be given to that point as to whether there should be two occasions for a debate on a resolution for the introduction of a bill. I understand that it might be the desire of the house that I make my statement before Mr. Speaker leaves the chair.

Mr. Drew: Mr. Speaker, I think that procedure is desirable. In view of the fact that the Prime Minister has referred to clarification of the rules on this matter, I should like to make an observation on that point.

The motion before us is to the effect that, in the opinion of this house, it is expedient that something be done. I submit that before the members of this house express their opinion whether it is expedient to do anything, they should know why it is expedient to do so. For that reason I think this is the occasion when the purpose of a resolution of this kind should be explained. At a later point undoubtedly it will be desirable that the details be explained and also the effect of the wording that may be introduced when the proposed legislation is before us.

Mr. St. Laurent: Mr. Speaker, hon. members will recall that on November 24 last I laid on the table order in council P.C. 4553 which had been passed that day. This order designated the Solicitor General (Mr. Campney) as a person who, under the terms of section 5 of the National Defence Act, might exercise any power or perform any duty or function that is vested in or that may be exercised or performed by the Minister of National Defence (Mr. Claxton). I think hon. gentlemen will find at page 15 of *Hansard* the statement I made on tabling that order in council. At that time I drew hon. members' attention to the forecast of legislation made in the speech from the throne, to provide for an associate minister of national defence. And as hon. members will recall I dealt with the desirability of having an associate minister of national defence, and foreshadowed the legislation to be introduced in consequence of this resolution. I have little to add to what I said on that occasion.

As I pointed out, a number of countries at the present time have, in addition to an overall minister of national defence, a minister for each of the three services, the navy, the army and the air force. That is the situation, I understand, in the United Kingdom, in the United States, in France and in Australia.

We have, however, considered it preferable in Canada to stress unification of the services for purposes of administration under the control of a single minister, a single department and a single deputy minister. We believe that our system has demonstrable advantages for this country, and that the appointment of separate ministers for each of the three services would be a retrograde step.

In the United States even today it is the view of the Hon. Robert A. Lovett, secretary of defence, who has just retired after quite a long experience in the defence department of that country, that the department has not had and still does not have sufficient power to bring about that degree of unification and co-ordination which was aimed at when their present national security act was adopted in 1947, or even when it was substantially amended in 1950.

In consequence of the course we adopted we have, I believe, gone as far to bring unification and co-ordination to the armed forces as have any of the free countries. While that is so, additional ways of developing unification and co-ordination still further are the subject of constant consideration.

As I said, it was hoped, and it was even expected, that the volume of work required of the minister would have become lighter as the defence program developed. That has not proved to be the case. Unfortunately the prolonging of the conflict in Korea, the build-up of our forces in Europe, and our relations with the North Atlantic Treaty Organization, as well as greatly increasing the responsibilities of administering the department have also made it necessary quite frequently for the minister to be absent from the country. Our experience has shown that in a country like Canada the Minister of National Defence cannot administer the department and supervise the armed forces adequately by spending his whole time here in Ottawa.

Perhaps I should add a word or two to indicate just what there is to be administered and supervised. Reading on the globe, from left to right, as they do in photographs, we have the 25th Canadian infantry brigade in action in Korea, including various supporting units and details, back to the former capital of Seoul, where there are a number of units including a hospital, and then back to the base unit at Pusan, which is the main harbour.

To the west of Korea, in the Yellow sea, there are usually stationed three destroyers of the Royal Canadian Navy, making active contact with the enemy. They are based in Japan, over 100 miles to the east.

Not far back, at Kure, Japan, is the reinforcement group and other supporting details of the 25th brigade. At Kure also is the commonwealth division's hospital, with a number of Canadian doctors and nurses, and, unfortunately, several Canadian wounded men. Not far from Kure there are training grounds where officers and men receive final training before going up to the front lines. Some 400 miles to the northeast of this is Tokyo, where there is a leave centre, a recreation room, and joint staff mission. Here also is the Japanese end of the Far Eastern airlift of the R.C.A.F., which has supporting details at Shemya in the Aleutian islands, as well as at McChord field in the state of Washington.

Then across Canada we have the various administrative training and operational units of the Royal Canadian Navy, the Canadian army and the Royal Canadian Air Force.

Units of the navy train by being at sea, and of the air force by flying. Their training and operations have taken the R.C.N. and the R.C.A.F. into most quarters of the globe during the year.

However, resuming our glance from left to right, we come to the R.C.A.F. wing at North Luffenham and the depot at Langar in England. Also in England we have the joint staff mission and a very considerable number of members of all three services either on exchange duties or attending courses and taking training. In addition there are British and United States service personnel in Canada for similar purposes.

Then in Germany we have the 27th brigade located at three different camps around Hanover but often away in different parts of Germany on exercises. This year we hope it will take up permanent quarters of its own at Soest, halfway between Hanover and Cologne, and we shall establish base detail in Belgium.

In France there is a second wing of the R.C.A.F. at Grostenquin and the air division headquarters at Paris, soon to be established at Metz. We shall soon have a Canadian component in the 4th allied tactical air force of which our air division will form a part.

In Paris also we have our representatives, civil and military, to NATO, and a certain number of Canadian officers at SHAPE.

In a month or two we will have a third wing of the R.C.A.F. at Zweibrucken and later this year a fourth wing at Bad Solingen in Germany.

I mention this because today we have members of all three services engaged in the threefold task of supporting United Nations action in Korea, taking our part under the North Atlantic treaty and engaged in the defence of Canada, involving relations with

more countries than ever has been the case for this country in war or in peace.

Canadian forces are in Korea, Japan, the United States, Britain, Germany, Belgium and France. This situation is new. We have to work out with all these, as we call them, "host countries" agreements regarding jurisdiction over civil and criminal matters, customs duties and other taxes, passport and immigration regulations, postal and transport arrangements, tenure of land and maintenance of buildings, and numerous other questions of the greatest complexity and importance. This has involved endless negotiation at every level, and I am glad to say that the arrangements we have made have generally proved quite satisfactory.

Largely because of the increasing importance of such matters, we found it necessary some time ago to appoint a chairman of the chiefs of staff committee. A large part of his time is devoted to dealing with matters of joint co-operation in NATO, and with other countries, at the highest service levels.

In addition to these matters which are to a considerable extent political, constitutional and legal, there are other matters regarding standardization, the exchange of information on development, research and doctrine, the development of channels of communication and co-operation which require attention not only at the service level but also at the political level.

In all this I may say Canada has taken a very considerable part, and there is every indication that this kind of work will increase rather than diminish.

Within Canada the basic program has been laid down, and I think and hope the majority of the contracts for construction and equipment has been placed. It now seems possible to see a clearer division between matters of policy and matters of administration or of the implementation of policy.

Therefore it seemed to the government that this situation would make it possible to have the responsibility shared between ministers, and that that could best be done by the appointment not of three ministers of defence over the separate services but of one associate minister of national defence. The minister and associate minister will work closely together in all matters. One will take the place of the other when the other has to be away attending conferences, visiting our forces abroad or in points in Canada away from headquarters. The experience of the present minister would indicate that this is apt to take about one-third of one man's time.

The main line of division will be that the minister will usually attend to matters having to do with defence relationships with the United Nations, with the North Atlantic Treaty Organization, with countries of the commonwealth and with the United States. He will also usually take the initiative with respect to matters of policy within Canada relating to defence generally or to two or more of the three services.

The associate minister, in addition to carrying on the work of the minister when the minister is away, will keep more closely in touch with matters of administration relating to the services. If I may repeat, it is expected that the associate minister would act for and exercise the powers of the minister when the minister is away and deal with matters of administration relating to the three services, including requisitions for construction, equipment and supplies, submissions on similar matters to the governor in council and to the treasury board, control of the establishment, appointment and supervision of the civil employees and service personnel, approval of expenditures, orders, instructions and plans within the lines of agreed policy.

When they consider the magnitude of the task of presiding over the department hon. members will probably ask themselves why an associate minister was not designated before now. Certainly the question has been raised in a not altogether friendly fashion by at least one newspaper and perhaps also elsewhere. However, it will be recalled that immediately after the war, and indeed right up to the outbreak of hostilities in Korea, our defence program was less than a quarter of what it is now. In addition, we felt it desirable to emphasize as much as we could the unification of the services for administrative purposes. Even with the coming of war in Korea and the rapid planned build-up of forces for the North Atlantic Treaty Organization, it was not for some time that the pattern of our defence effort came to be worked out. There was much discussion and revision of plans and programs.

While the load of work borne by the Minister of National Defence was very great it was not clear, until the greatly enlarged program got under way, how best to divide the responsibilities of the defence department. We were not getting into a full-scale war but we were certainly into something which was not normal peace; and while plans for the build-up were being made it would not, I think, have been wise to divide the constitutional ministerial responsibility for meeting the many grave problems which arose from day to day in building up our defence forces.

Having now settled the main lines of our defence effort and having reached the principal decisions on policy, it has been possible to work out a plan for sharing the heavy load of responsibility in the manner envisaged in this legislation to provide for the appointment of an associate minister of national defence. I hope the plan will commend itself to the house.

Mr. Drew: Is the Prime Minister not going to explain to us why the act needs to be amended? That is what the motion proposes to the house, yet he has given no word of explanation as to why the act needs to be amended.

Mr. St. Laurent: The act needs to be amended because as it stands it provides that the governor in council may in an emergency appoint as many as three additional ministers of national defence; but only in an emergency. We do not think we are in the kind of emergency that would allow the governor in council to act under that statute and make appointments without further authority from parliament. We are now asking that, although there is not that kind of emergency, the governor in council may appoint an associate minister of national defence; and that while there is in office an associate minister of national defence the act which provides for the appointment of three additional ministers in an emergency be amended to provide for the appointment of two only.

Mr. Drew: I should like to ask one question before I make any further remarks. I understand the Prime Minister's reason for considering it expedient that we have this amendment is that the number should be reduced from three to one.

Mr. St. Laurent: The National Defence Act as it stands provides that in an emergency there can be an over-all minister of national defence and one separate minister for each of the three services. Here we wish to provide for the appointment of an associate minister of national defence who will not be identified with any one of the three services in particular but who will have powers that will extend to all three. We propose to ask the house to amend the provision in the statute by taking power to appoint an associate minister, even though there not be an emergency contemplated by the act. Secondly, we are asking to amend the provision which permits the appointment of three separate ministers by providing for the appointment of two only while there is an associate minister acting with the minister.

Mr. Drew: So that I may understand it, when the Prime Minister speaks of the emergency contemplated in the act, am I right in assuming that there is no difference between the emergency contemplated in this act and any other emergency?

Mr. St. Laurent: My understanding is that the emergency contemplated in the act is the kind of emergency defined in the War Measures Act; that is, the existence of war, actual or apprehended. We had quite a lengthy debate in this house when we introduced the first modified Emergency Powers Act immediately after the outbreak of war in Korea to take certain powers less than those that would result from the proclamation of the War Measures Act. We felt that there was not the kind of emergency existing at the present time that would authorize us to proclaim the War Measures Act or to exercise powers that are similarly to be exercised in the case of a situation described in the statute as an emergency.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the Prime Minister (Mr. St. Laurent) has outlined the heavy duties that devolve upon the Department of National Defence, and has indicated the reasons which in his opinion support the contention that there should be an associate minister. But I submit that the amendment that is suggested is hardly supported by the arguments he has put forward. The reference to events in different parts of the world with which the Department of National Defence is connected does not in itself suggest a change in the situation which would support the need for an amendment of this nature at this time, unless there are some reasons which have not been placed before us.

I could understand an argument in favour of the appointment of a minister to deal with a specific service or to deal with specific duties in relation to the functions of the Department of National Defence. If the associate minister is, however, simply to have parallel duties to those of the Minister of National Defence (Mr. Claxton), it seems that the purpose of the appointment—not the amendment but the appointment—is merely to give ministerial rank to a parliamentary assistant. The duties that have been described would be performed by a parliamentary assistant except in so far as attendance at cabinet meetings is concerned.

I doubt if any hon. member will question the fact that steps need to be taken to improve the situation. The Prime Minister (Mr. St. Laurent) has said that many countries have ministers for each service. He has pointed out that this is the system adopted in the United Kingdom, the United States, France, Australia and other countries.

He did go on to say that the government believes our system has advantages in bringing about co-ordination. I should think we have had abundant evidence in the past few days that it has produced the very opposite. I should think we have had abundant evidence in the past few days that what we greatly need is some new definition of the duties of those who will be responsible for administration. If there is to be an additional minister, then I submit that one of the things which should be before the house is a clear definition of the responsibilities of that minister. If his real duty is to be that of an administrative official with cabinet rank, then I believe that should be before us in some detail when we say that it is expedient to introduce an appropriate amendment for this purpose. If on the other hand it is to deal with a particular service, then I think that should be before us.

I should think that great advantages could accrue from the appointment of a minister to a particular service, even if at the present time it is only to take over one service. Having regard to the fact that special emphasis is being placed upon Canada's development of its air defences, I can well see reasons why we should have a minister of national defence for air, or, if the minister is to be appointed under section 6 of the army act, an associate minister specifically appointed to deal with the administration of that branch of our military services.

I must confess that I find it difficult to understand how the government can contend on this occasion that there is no emergency and that the act must be amended for that reason, if it proposes to come before us at a later time in the session and suggest that there is an emergency which calls for the introduction of two other bills referred to in the speech from the throne. Either there is an emergency or there is not. The Prime Minister (Mr. St. Laurent) has said that this provision was made at a time when we contemplated a special type of emergency. Then he went on to say—and while I do not purport to quote his exact words I am sure I am quoting their effect—that while we were not in a full-scale war we were certainly in something other than normal peace.

The only amendment, Mr. Speaker, that is contemplated by the motion before us, the only amendment it is suggested we should declare ourselves to believe it is expedient to introduce, is that the restriction that this can be done by order in council in time of emergency shall be removed and that there shall be a provision that at any time an additional minister can be appointed by order in council. I submit that if there is no emergency we should follow the normal method, and that a bill should be introduced to deal with the appointment of a new minister in the ordinary way. Otherwise it is open to the government to appoint a new minister by order in council at any time without the matter being submitted to parliament. If there is no emergency, then the ordinary procedure of creating a new ministry and describing its functions by statute should be employed.

If there is an emergency, then no amendment is required. Section 6 of the act as it stands is more than adequate for the purpose of dealing with the situation outlined by the Prime Minister. I should think that everything that has taken place in the house ever since we met this session would emphasize the need for the most exact procedure in dealing with all matters connected with the Department of National Defence. I do not think we should further increase the opportunity for informal proceedings and undefined authority.

For that reason I hope hon. members will realize that what we are asked to declare by this motion is that, in the opinion of the members of the house, it is expedient that at any time, without the house knowing anything about it, an additional minister may be appointed without the house having any opportunity to say whether or not it is wise and also without the house having any opportunity to say what the duties of that minister shall be. I hope that hon. members, with that before them, will oppose this motion.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, this afternoon the Prime Minister (Mr. St. Laurent) moved a resolution that it was expedient to introduce a measure to amend the National Defence Act.

Mr. Deputy Speaker: Order. May I correct the hon. member? The motion that was moved was that the Speaker do now leave the chair. That is the motion.

Mr. Pearkes: That in committee we should discuss this resolution:

> That it is expedient to introduce a measure to amend the National Defence Act to provide that the Governor General may at any time appoint an associate minister of national defence at a salary of ten thousand dollars per annum.

We feel this resolution unnecessary because we feel that the present act makes provision for the government to appoint such associate

minister if the government so desires. We also feel that in the remarks made by the Prime Minister the duties of this associate minister were ill-defined, vague and not sufficiently specific.

I think it would be advisable to quote the actual words of the National Defence Act, paragraph 6 (1):

> The Governor General may, during an emergency, by a commission under the Great Seal appoint (a) not more than three additional ministers of national defence, each of whom shall exercise and perform such of the powers, duties and functions of the minister as may be prescribed by the governor in council;

That refers to the possibility of the appointment of additional ministers of national defence. When the Prime Minister was speaking, according to the notes I jotted down at the time, he said that the National Defence Act as it stands provides that in an emergency there can be an over-all minister of national defence and one separate minister for each of the three services. My interpretation of the act, as I have read it, is that it does not state definitely that these three ministers are to be allocated to each of the three services; because it says very distinctly:

> —each of whom shall exercise and perform such of the powers, duties and functions of the minister as may be prescribed by the governor in council;

My interpretation of the duties of those three ministers, if appointed, is not so circumscribed as the interpretation given by the Prime Minister this afternoon.

Paragraph 6 (1) (b) of the act reads:

> —not more than three associate ministers of national defence, each of whom shall exercise and perform such of the powers, duties and functions of the minister as may be assigned to him by the governor in council or the minister.

That is, if necessary in an emergency there may be appointed three associate ministers of national defence. Paragraph 6 (2) goes on to say that such minister—

> —may be continued in office for not more than six months after the termination of the emergency during which he is appointed.

I must submit that a great deal of the Prime Minister's speech this afternoon indicated that an emergency does exist. He referred to the 25th brigade being in action in Korea, and outlined the various establishments which are maintained in the Far East, not only for the army but also for the navy and the air force. He went on to describe how our 27th brigade is stationed in Germany and how various units of the Royal Canadian Air Force are also stationed in Europe. He pointed out that we had units of our defence forces in Korea, Japan, the United States, Britain, Germany, Belgium and France. Those units of our defence forces, be they of the army or air force, are stationed in Europe because the dread of war hangs over Europe.

We find that we have Canadian troops in the Far East because there is real war. The illusion that there is only police action in Korea surely has been shattered when we realize that there have been over 1,200 Canadian casualties in Korea, of whom some 245 have been killed. Surely nobody is trying to maintain the myth that there is not war in Korea. Of course there is war, and real war, in Korea.

So far as Europe is concerned the raison d'être for our troops being in Europe is the threat of war; war is apprehended. In the definition of this act we are told that an emergency means war, invasion, riot or insurrection, real or apprehended. I do submit, then, that we are faced with real war in Korea and apprehended war in Europe. For these reasons I feel that there is an emergency, and therefore the paragraph of this act granting authority to appoint both additional ministers and associate ministers amply applies, and has applied for many months past. On that ground I feel that it is quite unnecessary to refer this resolution to any committee or to even present the resolution at all. I do not see how we can say on one hand there is war, and on the other hand that our troops in action in Korea are not taking part in active service operations there.

Then the Prime Minister referred to the fact that in a number of countries there were over-all ministers of defence. I believe he pointed to the United Kingdom, the United States, Australia and France as countries having over-all ministers of defence. He said also these ministers had under them subordinate ministers who were charged with the responsibility of supervision, administration and organization of definite services, or some specific job they had to do. For several years after the end of the last war, while the army and navy were combined under a minister of national defence, we still retained a minister of national defence for air. It is not, therefore, an unusual thing so far as this country is concerned, and so far as the policy of the present government is concerned, that there should be a separate minister for one or other of these services, with a definite job.

The Prime Minister said that it would be a retrograde step if we established separate ministers for each of the three services. I wonder whether the experience which has been gained by following this fetish of unification has really shown that the policy of

unification at the top has been entirely successful. I believe we have had ample demonstration recently that it is impossible to have unification throughout the administration of the services. There may be unification or an attempt at unification at the top, but we have not made any great progress in unification in the middle. Only a few days ago we heard that there were eight different accounting systems. In fact, if I recall correctly, it was suggested that there was no great harm in having various accounting systems in the service, and that we should not strive after unification for unification's sake.

I am not at all sure we have not stressed too greatly this necessity for unification starting at the top. True, we are trying the experiment at the bottom as well. We have the three combined service colleges in which cadets of the army, navy and air force are studying together. I do not think we have gone far enough yet to say whether that experiment is entirely successful. We must have liaison and co-ordination, most assuredly. There has to be co-ordination between all three services; there is no question about that.

Surely the Minister of National Defence, who we have been told must spend a large part of his time away from Ottawa conferring with other countries—conferring with the NATO commanders; conferring with the United Nations and so forth—with his broad experience of what is going on in other countries would be in an admirable position to co-ordinate the activities of our three services. Because he is away from Canada so much, and because his duties take him into the realm of diplomacy, into the management of international relations, experience has shown that he has not had sufficient time to devote to the administration of all services, the army, the navy, the air force and the defence research council. We have found that there have been reports of failure in the administration. In fact, a great deal of the present minister's time has been taken up with the management of international relationships as well as the management of interservice relationships. I submit that he is in a position to be able to continue with the general supervision over all three of our services.

In order to help him along these lines he has, within the last couple of years, appointed a chairman of the chiefs of staff committee, to whom the Prime Minister referred. Under that chairman there are the chiefs of staff of the navy, army, air force and research council. There you have co-ordination at the top; liaison by the chairman of the chiefs of staff committee with the chiefs of staff of every service. As I see it the present minister is in a position to exercise that general supervision, being the over-all minister, in much the same way as the chairman of the chiefs of staff committee exercises general supervision over the chiefs of staff of the various services.

We do realize that it would be an enormous task for the present minister or any other minister to maintain the general supervision of all the services and carry on these international discussions and relationships. It is beyond human power to be able to do that. He does need, and has needed for a long time perhaps, additional assistants. He has been provided with parliamentary assistants for some time. Just how he has divided the responsibilities which are his amongst his parliamentary assistants is a matter for him to decide.

This afternoon we were told by the Prime Minister—and I use his words as closely as I could copy them down while he was speaking—that the associate minister would keep more closely in touch with matters of administration relating to the services, that he would keep in touch with the administration of the three services as well as acting for the minister when he was away. Of course, when one minister is away another minister always has to act in his place. Then the Prime Minister went on in a little bit more detail and said that, amongst his other administrative duties, he would be required to supervise requisitions for construction. As we know, there is a great deal of building going on for the three services. Construction is playing a big part and is taking a large portion of the money which is voted for defence purposes. The associate minister would also be responsible for supervision of civil employees in the department—of whom there are a great many—and also for appointments and for the approval of expenditures. There may have been some other details to which the Prime Minister referred but those are, in the main, the duties which he assigned to the associate minister.

I submit, Mr. Speaker, that it is utterly impossible to separate administration from policy. If administration falls down, then the policy cannot be put into effect. Administration and policy go hand in hand; and it is exceedingly difficult to make one man responsible for administration and somebody else responsible for directing policy. I think everyone who has had any practical experience, either in the services or in business, will realize that policy and administration go together. I therefore foresee that there will be great difficulties confronting the associate minister of national defence if he is to devote his attention almost entirely to matters of administration.

It is essential that the load be taken off the present Minister of National Defence. I know that is the truth. In fact, in this house I suggested, I think about a year ago, that the present minister could not undertake all the responsibilities in connection with civil defence; and I am pleased that, shortly after that suggestion was made by me, the government acted on it and transferred the duties of civil defence to another minister.

One man can do just so much. It is an unfortunate practice that we sometimes have of overloading the willing horse. Hence I suggest that in the past we have been asking too much of our Minister of National Defence and that some relief was due him long ago. If that relief is long overdue, let us be practical, and let us see what is the best way in which we can relieve him of some of this burden which has overtaxed human ability.

We must realize that the present Minister of National Defence has shown exceedingly great ability. I do not hesitate to pay my tribute to him for all that he has attempted to do. He has had to try to take in the broad picture. By inclination he is extremely keen on administrative detail; hon. members can see that inclination evidenced in the reports he has made to this house. He has almost a mania for detail. He will come here and give us a large number of figures representing the amounts of money which have been spent by this and that department. He will have them at the tips of his fingers. I think he has shown on many occasions a remarkable ability in being able to point out the details connected with the various services. I am afraid that, by inclination, he is going to follow on with that mania. He loves detail, and it is going to be tremendously hard for him to divorce himself from administrative detail.

We are obliged to rely upon him to give us the over-all picture, and to deal with the immense problems of international relationships, interservice policy and so forth. But if he ties himself down to details as well, we are not going to have this country adequately served in that respect. If only loose instructions are given to his associate minister to look after administration I am fearful that, during the two-thirds of his time that the Minister of National Defence will be looking after affairs in Ottawa he will, by sheer force of habit, delve into matters of administration. Hence I foresee an associate minister of national defence charged with the responsibility of administration and a minister of national defence finding it extremely hard to divorce himself from the details of administration because, as I have already pointed out, administration and policy are closely interrelated. I therefore fear that we shall have confusion worse confounded and that we shall just go on muddling along; because if the division of responsibility, as defined by the Prime Minister today, is adhered to we shall have no clear-cut solution to the problem.

I should like to see this resolution reconsidered and provision made for a definite area of responsibility to be allocated to this associate minister of national defence. If any additional help is required for the minister, then let further parliamentary assistants be appointed. As was suggested this afternoon by the leader of this party, I would suggest that at this time we might well appoint a minister of defence for air.

Let us just look for a few minutes at the responsibilities a minister of defence for air would have.

To begin with, let us consider the amount of money that this house allocated in the main estimates during the last year for the defence services. For air alone there was allocated the huge sum of $929 million plus $577,891, a total of $929,577,891. The administration of that huge sum of money certainly requires that there should be a separate minister to look after that particular service. If it were just in the ordinary course of events that this large sum of money was being provided for our air service, perhaps the need would not be emphasized to the same extent as it is when one looks back and takes note of the amount allocated in the main estimates of 1951, at which time the sum of $252,842,836 was set aside for this purpose.

So we see here an enormous increase in expenditure for the air force, an increase in one year from $252 million to $929 million. These figures must give hon. members some idea of the tremendous expansion and increase in our air defence. Surely we will not say that we are going to have just a flash in the pan, or that we are not going to stress the air service in the future.

On various occasions in the house I have stressed the necessity of placing emphasis upon our air defence. We are particularly suited to play a large part in air operations. We have an enormous country which can be defended only by rapid movement from one part of the country to another. Our air services are essentially for the defence of the country. Not only are they for the defence of Canada, but also to fulfil our obligations in other parts of the world, notably those under the United Nations. We have an air division either in or about to arrive in Europe. I think some 12 fighter

squadrons is the number that has been mentioned, and those squadrons are expected to arrive in Europe within the foreseeable future.

Then we have the NATO training scheme, in which we are inviting young airmen from other countries who have joined us in the North Atlantic Treaty Organization to come to Canada so they may do their training here. We do this because we have the facilities for it.

We have our obligations in Korea where No. 426 transport squadron has been doing amazing work. As was disclosed recently, they have made over 350 crossings of the Pacific, both ways. They have flown over four million miles in transporting over 8,500 personnel.

Then, because of the stress being placed upon air forces the world over, the whole situation regarding air warfare is in a constant state of flux. Our responsible officials, be they service personnel or ministers of the crown, have tremendous obligations in order to keep up to date in matters of research, design and construction in connection with aerial warfare.

During the last war there was no question that Canada played a most effective part in aerial warfare. I think very few members in the house would question the statement that to a great extent our success was due to the energy and ability of the minister of defence for air of that time.

I feel the time has now come when we have to have a clear-cut understanding of the responsibilities and duties of this new associate minister, and that the logical, practical and realistic step to take is to say now, "We will revert to our wartime policy of having a separate minister for the air service," so that the activities of the air force with all its tremendous developments, and the administrative arrangements regarding personnel, as well as the provisions for modern types of aircraft with which it must be supplied, will be the responsibility of one individual.

In order to tie in those responsibilities and that development with the development and progress of our other defence forces, there would be the over-all minister of national defence, who would be able to spend his time dealing with his international responsibilities. Being relieved of air force responsibilities, and of the expenditure of these $929 million—almost half of the defence vote—with the assistance of such parliamentary assistants as he might deem necessary he would be able to look after the administration of the other two services, the army and the navy.

[Mr. Pearkes.]

It is for these reasons we feel this resolution need not be submitted to a committee at this time. While we are opposed to the resolution for the reasons I have advanced, we feel it would be better to wait until the bill is before us to advance any amendments we may have in mind. I indicate to the Prime Minister the line of objection we shall take to the bill when it is presented, and I do this in the hope that he will give serious consideration to the arguments I have advanced, that he will realize the resolution is not necessary, that all the powers exist in the National Defence Act as it stands today, and that there is an emergency—and one cannot gainsay that there is a war in Korea and a war apprehended in Europe. If there is a real war in Korea and an apprehended war in Europe, an emergency exists. And if that emergency exists, then in the act he has all the power required to appoint whatever associate ministers he may need.

Finally I hope that a much clearer definition of the responsibilities of the associate minister will be placed before us. I do recommend with all sincerity that the simplest and most logical way of proceeding is to appoint either a minister or associate minister of national defence for air, and to divorce from the present minister all those details of administration, design, construction and development connected with the air services. I feel it will only add to the confusion if an associate minister is given responsibility in connection with administration, when his responsibility for general policy is limited.

I do not believe it will be possible for the Minister of National Defence to divorce himself entirely from matters of administration. I repeat that I hope the Prime Minister (Mr. St. Laurent) will see that it is not necessary to proceed with this resolution. Secondly, I hope that when the associate minister is appointed his duties will be clearly defined and that he will be made responsible for one service. I submit that the air service is the logical one to be given a minister rather than confuse the whole question by giving him some vague, ill-defined responsibility over the administration of the navy, army and air services, the northwest system and all the other administration details of national defence.

Mr. O. L. Jones (Yale): Mr. Speaker, I am prompted to enter the debate at this time after having listened carefully to the recital which the Prime Minister gave us before the recess of the duties devolving upon the Minister of National Defence. I think he opened our eyes; but perhaps he should also have told us that the Minister of National

Defence handles nearly 50 per cent of the national expenditure. That is the responsibility of one man, whereas the other nineteen members of the cabinet look after the other 50 per cent of our national expenditure. It is the thought of the tremendous responsibility that is placed upon the Minister of National Defence that prompts me to say a few words tonight.

This department has always received the lion's share of our national revenue. As the hon. member for Nanaimo (Mr. Pearkes) just mentioned, the handling of this department has always been too much for one minister. I remember when this department was handled by my predecessor from Yale, the late Hon. Grote Stirling, in 1934 and 1935; and tonight I pay tribute to that hon. gentleman. He served for twenty years as a member of this house, and he acted also as minister of national defence. He gave of his best with untiring zeal during those twenty years. He was a fine gentleman, a good member of the house and a conscientious administrator. I still find in my correspondence reference to the work he did and the good deeds he performed. He passed away during last week end and I am glad of this opportunity to pay this tribute. He was honoured by all parties in the house.

It is with those thoughts in the back of my mind that I think of the heavy responsibilities that devolve upon the shoulders of one man. The division of duties will naturally be a contentious subject. We from British Columbia are pleased that one of our members has been selected as the associate minister, but at the same time we are not quite happy about the situation. The difficulty seems to me to be in the division of responsibility. From what we have heard, this responsibility will still rest upon the one man. He will have an associate to help him, but previously he had a parliamentary assistant. He is not a great deal better off.

I think we as members of parliament should place direct responsibility on all our ministers. I do not care whether the department is divided into four ministries, but I do feel that the army, navy and air force require separate ministers. I should like to see consideration given to the appointment of a minister to handle administration matters, to clean up the mess exposed by the Currie report. I think it would be money well spent to have a minister to do nothing else but look into the bookkeeping system, the storage system, the security system, and to be personally responsible for those matters. Then other developments in the army, navy and air force could be under separate associate ministers if you wished. I realize that this may mean greater expenditures; but when you consider that half our national income is spent by this one department under one man, and the other half by the other nineteen members of the cabinet, I think the expenditure will be found to be justified.

That is all I have to say. I am not going to criticize the appointment because we from British Columbia are pleased with it. I think we have as good a man as we could find to fill the position. But I sincerely believe that definite responsibility should be placed on this individual rather than to make him just a glorified parliamentary assistant with increased pay.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I agree that an associate minister will be of great assistance to the Minister of National Defence (Mr. Claxton), although I contend there should be a more definite division of duties than was laid down this afternoon by the Prime Minister. I should like to see the new minister named as minister of air or as minister of air and navy, whichever is practicable, so there would be a more even distribution of responsibility.

This afternoon the Prime Minister said he did not like that kind of division because they were trying to retain as much unity as possible among the various branches of the service. But I would think if a break in that unity brought about increased efficiency it would probably be a good thing. If such a move would mean greater efficiency, then by all means we should have that definite break and have the duties of each of these ministers clearly defined.

We do not like to see a glorified parliamentary assistant in this post. We want to see a minister with definite duties. We want to see someone who can assume responsibility for certain branches of the department. I shall have to agree with the hon. member for Nanaimo (Mr. Pearkes) in disagreeing with the method proposed by the Prime Minister. The Prime Minister says that he does not believe there is an emergency, and therefore he does not have the power under the act to appoint other ministers.

I do not know whether I would agree with the Prime Minister that there is not an emergency. Our boys in Korea feel that there is some sort of emergency or they would not be fighting there. If the government is not willing to accept the fact that we are in a state of emergency, surely they will agree that at least the Department of National Defence is in a state of emergency. The

events and debates of the last few days I think prove that pretty clearly.

If we are in a state of emergency then the government has the power to create one minister or three ministers, whichever number is needed. If there is no emergency then I am afraid I cannot agree that this is the type of action that should be taken. The position of the new minister should be created by statute and not in the manner that has been set forth in the house today.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to add a very few words, really to follow up what has been said by the hon. member for Nanaimo (Mr. Pearkes); but first I should like to make one or two general comments on the Prime Minister's speech. As I listened to the Prime Minister describing to us in his quiet persuasive tones the reason for the appointment of this new minister; as he described the scope of the duties of the present minister; as he took us from the front line in Korea to Pusan, to the destroyers in the sea of Japan, to the Aleutian islands, to Canada, to Britain, to Germany, to France and described in great detail—and I am sure accurately—the scope of the duties of the present minister, I said to myself: Is this really the month of January, 1953? What has been happening in the last two and a half years since July, 1950, when in effect the enormous nature of the commitments which we had undertaken became clear?

If the Prime Minister was trying to demonstrate to us that it was utterly impossible for one man to undertake these duties, I think he succeeded admirably; and the only thing I would say to the Prime Minister is that for many many months we on this side in our small way have been trying to persuade the government that that was so.

Mr. St. Laurent: You are always right on your side.

Mr. Macdonnell (Greenwood): No, we are not always right but we are sometimes right. We do not even suggest the government is always wrong, although they are sometimes wrong. What I want to come back to is that the government has taken advantage of the insatiable appetite for work and the insatiable energy of the Minister of National Defence; and in my opinion the government, and the Prime Minister at the head of it, are grievously to blame for the disorganization about which we now know, a disorganization which is demonstrated by the Currie report and which, if Mr. Currie could only investigate the whole of the expenditures instead of one one-hundredth, would be demonstrated even more.

[Mr. Thomas.]

We come now to this situation. I repeat that I think the government and the Prime Minister at the head of it are grievously to blame. Now the thing is to be set right; and how is it to be set right? Well, it seems to me that we are perhaps going from the frying pan into the fire. It seems to me we may be falling between two stools instead of falling off one stool. It seems to me that the outline of the duties that has been given does nothing whatever to indicate that there will be a clear-cut division. We were told by the Prime Minister this afternoon that the Minister of National Defence will usually look after duties A, B and C, let us say, and the associate minister will usually look after duties D, E and F, and that when one minister is away the other will look after his duties.

That is all right so far as it goes, but I submit it still leaves us in exactly the position outlined by the hon. member for Nanaimo, namely that there is no clear-cut definition of duties. We will still be in the position where energy and courage are asked to do the duty of organization. We have now found defects in the organization. We hoped that when the Prime Minister brought forward the resolution there would be evidence that there was now going to be some clear thinking to set this thing right. So far as I can see that evidence is not there. So far as I can see we are going to go on with the same vagueness, the same want of organization.

I hope, as the hon. member for Nanaimo has said, that the government will see fit to take another look at this matter. I hope in particular that they will accept the suggestion of the hon. member for Nanaimo, with all his experience and knowledge of these matters, as to a minister for air. In general it seems to me that he has made suggestions which, if we are single-minded in trying to correct this situation, the government might very well consider.

Mr. P. E. Wright (Melfort): Mr. Speaker, I want to make it quite clear that as far as this group is concerned we believe that the principle behind the resolution is good. We believe the Minister of National Defence (Mr. Claxton) is in need of some assistance at this time. As a matter of fact, we think such assistance should have been given much earlier. We agree that when we sent our troops to Korea in the first place we did not expect that the war would drag on for two years, and that we probably thought then there might not be an emergency. But surely when we decided to become partners in NATO and to send a brigade to Europe, when we added to the responsibilities of the minister that of meeting the chiefs of staffs of

other countries and of consulting with the joint defence board set up in conjunction with the United States, it must have been apparent to the government that some assistance was necessary.

It should have been apparent to the government when our spending in this department practically tripled in one year that some assistance was necessary for the Minister of National Defence. Everybody agrees that the minister has done all that it was humanly possible for one man to do, but even that was not enough in the light of the tremendous responsibilities that devolved upon him so far as the increased expenditures and increased tensions in the world today are concerned. As I say, we agree with the principle that the minister should have assistance, but we do think it should be done in a somewhat different way than is being suggested.

In introducing the resolution the Prime Minister (Mr. St. Laurent) stated in a general way the division of responsibilities between the associate minister and the minister. He said the associate minister would be responsible for administration while the minister would be responsible for policy decisions and for attending international conferences and other meetings which our ministers of national defence must attend. That is not enough. When a government in this country appoints a minister of the crown and pays him the necessary emolument for that position, it seems to me that the minister as a member of the cabinet should be responsible to parliament for certain well-defined duties. After all, we still have a parliament, and it is parliament that is responsible to the people of the country, not the government alone.

How is parliament to hold the new minister responsible unless he has clearly defined duties? Therefore we say that in making this appointment the Prime Minister should clearly define the responsibilities that the associate minister is going to have. Surely there is some way in which the responsibilities involved in the Department of National Defence can be divided. Surely the matter of procurement and stores is a responsibility which might be given to the new minister at this time, because we are procuring tremendous quantities of goods and supplies not only for our armed forces as they are today but as they may be in the future. Surely there should be somebody directly responsible for that.

I am not going to try to define what division of responsibilities the government should make, but I say it should be clearly defined to parliament so that parliament can hold the minister appointed, whoever he may be, responsible for certain specific duties that he will have to perform as a member of the government. The hon. member for Nanaimo (Mr. Pearkes) has suggested that the new minister might be made minister for air. That is a reasonable suggestion. In our defence department air responsibilities have always been great, in the last war and since the last war. We have taken on additional responsibility for the training of personnel from other parts of the NATO partnership, and those responsibilities are great.

I am not trying to say what the duties of the associate minister should be, but I do say they should be clearly defined by parliament so that when that minister is appointed parliament can hold him responsible for well-defined duties, as other ministers of the crown can be held responsible for their departments.

Mr. Rodney Adamson (York West): I merely want to support the hon. and gallant member for Nanaimo with regard to a minister for air. If there is any way in which we —and I say "we" in the way the board of trade or chamber of commerce said "we as the third trading nation of the world"—have any responsibility in particular, it is our responsibility in the air. We have only a small population, and mass armies and large manpower are not for us. They can never be for us with our small population.

In two wars the Canadian genius showed us to be supreme in the air. I think the percentage of Canadians in the Royal Air Force and the Royal Flying Corps in the first war, and the Royal Air Force and the Royal Canadian Air Force in the second world war, was out of all proportion to our population. It is for that reason, for the logistics in the matter —one might almost say the geopolitical side —and also because of our peculiar genius for work in the air, that we should give special attention to it.

As has been said, expenditures for air defence have increased from a quarter of a billion to nearly one billion dollars. Not only have the expenditures increased; the technological progress in the air has increased at a very rapid rate and it is continuing to increase at even an accelerated rate at the present time.

I believe, Mr. Speaker, that a minister for air, with the specific job of co-ordinating and co-operating with the air arm of the defence services, is an absolute necessity. Let us take what has happened recently. The Minister of National Defence (Mr. Claxton) was away attending a NATO conference. While he was away the Currie report was brought down and there was a great deal of confusion in the department. To have had

a minister for air, or another defence minister, would have tremendously reduced that confusion and steps might have been taken immediately, rather than to have the very unfortunate time lag and time waste which took place.

So I say that a minister for air, not only because of our small population but because of our geopolitical position and because of the genius of Canadian people for work in the air, is an absolute necessity.

I feel that unification of the armed services is ideal, but it has never been effectively worked out in the United States or in the United Kingdom. Despite all high level conferences and all attempts to work out unification of defence forces, they still form themselves into three essential services. I understand it is the United Kingdom practice, and I think it is desirable, that a member for each service is appointed whose job is purely of a technical nature. He has the responsibility of reporting on technical matters directly to the cabinet, thereby taking off the shoulders of the ministers, who have other responsibilities in the house, the details of the technical problems of the services. I have been informed that that system has worked very well and has relieved ministers of a great many of these technical problems for which they have not been trained. So, Mr. Speaker, while the problem is to take as much of the technical responsibility and essential detail off the shoulders of the minister, I also feel that if we are increasing the cabinet it is essential that we increase it by a specific minister with specific duties. I suggest, in our peculiar position, a minister for air is one of the essential additions we should make to the cabinet.

Mr. St. Laurent: Mr. Speaker, if this is a motion on which I am not entitled to reply—

Mr. Speaker: This is not a substantive motion and is not one on which reply is allowed by the rules, but with unanimous consent of the house—

Mr. St. Laurent: No. I will have an opportunity in committee.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. St. Laurent: Mr. Chairman, had it not been possible for me to have this opportunity at once, I would have asked for the unanimous consent of the house to express to the hon. and gallant member for Nanaimo my sincere appreciation for the well-merited tribute he paid so generously, in a non-partisan fashion, to the ability, energy and devotion to duty of the Minister of National Defence. As a citizen of Quebec, I would also like to thank him for the equally generous and well-deserved tribute he paid to my old colleague from Quebec, now the dean of this House of Commons, for the service he was able to render to his country and to his fellow citizens during the last war as minister of national defence for air. It is refreshing to find that we have these sentiments, and that party affiliations have not prevented us from giving expression to them when there is proper occasion for doing so.

I think it was quite refreshing also to hear the tribute paid by the present member for Yale (Mr. Jones) to the nobility of character and the service rendered to the country by the former member for Yale, though they were not of the same political allegiance. I am sure that all hon. members who had the privilege of being fellow members of the late Hon. Grote Stirling were deeply gratified that there was this opportunity of paying a tribute to his memory, which we all would have been delighted to pay as soon as we learned of his death if it had not been contrary to the usual practice in this house, which is to refer only to those who are still members of parliament.

I believe there has been general agreement that there was occasion for assistance in some form in the discharge of the heavy responsibilities that now weigh upon the Minister of National Defence (Mr. Claxton). There has been a suggestion that under the terms of the National Defence Act the same thing could have been done by the governor general in council without coming to parliament. Perhaps those who hold that view are right. Perhaps the present situation is as defined in the National Defence Act as an emergency, which means war, invasion, riot or insurrection, real or apprehended. We did not feel that there would be unanimity over such a construction of the present facts. If the governor in council had the right to do it without coming to parliament, it was thought parliament would not feel that it was offensive to ask parliament to state by statute, because this is to be a statute, that under present conditions one of the three authorized by the act might now be appointed.

As to the division of duties, the hon. and gallant member for Nanaimo suggests that a more clear-cut division would be the appointment of a minister for air. I have pointed out the distribution of our forces at the present time, and it is almost impossible to have separated the civil administration of these units belonging to the three different services. The arrangements that are entered into with the host countries, where there are members of our forces, are arrangements

that apply to all the members of our forces who may be there. These arrangements are very closely connected. The arrangements we make for the establishment of airfields and barracks at Grostenquin have a bearing upon like arrangements that are being discussed for barracks in Germany or barracks in Belgium. We are now fourteen allies in this North Atlantic Treaty Organization, and we are trying to adopt a pattern that will suit the purposes of all. These arrangements have to be negotiated and dealt with by one minister for the three services. I hope there will not be confusion in the performance of the work that has to be done by the minister and the associate minister.

The hon. gentleman says that the Minister of National Defence has a passion for doing it all, or for seeing to all that has any bearing upon that for which he is responsible. Well, that is no doubt a fault, in one aspect, but it is one to which I have to confess, too. But I find that in other aspects it is not altogether unfortunate that one can take details into account. After all, a nation is made up of individuals, and the implementation of policies is made up of an infinity of various small actions. The hon. member knows better than I do that the credit brought to this country by the performance of our armed forces during the last war was the result of the sum total of individual action of individual men and women, and the whole was magnificent because each small part had been regarded as important and an essential contribution to the whole picture.

I trust that there will not be such an amount of attention devoted to detail as will prevent one from seeing the forest itself as well as the trees. The hon. member for Melfort (Mr. Wright) says there should be something specific for which the new minister will be responsible. The new minister, like all his colleagues, will be constitutionally responsible for everything that will have taken place in that department as well as in any other department of government. I have made no answer to the oft-repeated assertion that, in connection with the irregularities disclosed by the Currie report, each member of the government was constitutionally responsible. That is the doctrine and will continue to be the doctrine, not because I admit it but because it has come down through the traditional development of parliamentary institutions.

I hope the manner in which this will work will prove a very great alleviation of the heavy burden the present minister has to carry, and will make it humanly possible, within the twenty-four hours of each day of a man's life, to have closer supervision of all the incidents connected with the expenditure of money appropriated by parliament to perform this job. I am sure the whole Canadian public wants to see it performed, but performed as efficiently and as economically as it can be performed under the best possible supervision.

Mr. Drew: Mr. Chairman, there is no occasion to extend the debate in committee. The bill will come before the house and it will be possible then to discuss it. I would point out, however, that nothing the Prime Minister (Mr. St. Laurent) has said in any way deals with what was placed before the house by the hon. member for Nanaimo, who has pointed out the need for clearly defined duties on the part of the minister to be appointed and has recommended the appointment of a minister for air. That course would be consistent with the practice in every other major country which carries on under the same system as ours or one similar to it.

In disposing of this matter at present, we leave it in the position that we will discuss it when the bill comes forward; but in view of what has been said with regard to this matter by the hon. member for Nanaimo, the hon. member for Greenwood and others, I would hope that the Prime Minister would review the situation and consider the advisability of following the course that has been suggested.

Far from a satisfactory situation prevailing there is one of confusion and great waste of public money which needs to be dealt with. That was the purpose of the suggestions that were made—as well as the welfare and efficiency of the armed forces—and which were put forward clearly, and with great understanding of their need, by those who advocated this course. The detailed discussion of this subject can take place on the bill itself, but I hope that the government will still reconsider the course they are proposing to follow.

Mr. Pearkes: Is it the intention of the government to provide an additional deputy minister? Section 7 of the National Defence Act provides that, where additional ministers or associate ministers are appointed, additional deputy ministers may also be appointed. If there are going to be two ministers working through the one deputy minister, it seems to me that you are going to have a difficult bottleneck.

Mr. St. Laurent: The department at the present time has one deputy minister, one associate deputy minister overseas and one associate deputy minister here in Ottawa. I would not want to commit the government

to a policy of not making further appointments, but up to the present time no consideration has been given to the appointment of additional deputy ministers.

Mr. Pearkes: There is no amendment to that effect?

Mr. St. Laurent: No.

Resolution reported, read the second time and concurred in.

Mr. St. Laurent thereupon moved for leave to introduce Bill No. 103, to amend the National Defence Act.

Motion agreed to and bill read the first time.

JUDGES ACT

SALARY FOR ADDITIONAL JUDGE OF SUPREME COURT OF BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Judges Act, 1946, to authorize payment of a salary for an additional judge of the Supreme Court of British Columbia.

Mr. Fulton: Will the minister say just a word as to the necessity for this resolution?

Mr. Garson: Mr. Speaker, the necessity for it arises from the fact that the legislature of the province of British Columbia has created a vacancy for the appointment of an additional judge of its supreme court. The purpose of this amendment to our Judges Act is to give us power to make an appointment to that vacancy so created.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Resolution reported, read the second time and concurred in.

Mr. Garson thereupon moved for leave to introduce Bill No. 104, to amend the Judges Act, 1946.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall this bill be read the second time?

Mr. Knowles: Next sitting of the house.

Mr. Garson: Might I speak to that point, Mr. Speaker? Before we agree to amend our Judges Act in order to authorize the appointment of an additional judge in any province, it is our practice in the department to ask for the production of statistics showing that the case load of the province amply warrants the additional assistance of another judge. That practice was followed in the present case. The statistics we received proved beyond any question that an additional judge was required, and we proceeded on that basis. Just within the past few days the Chief Justice of the Supreme Court of British Columbia has had to go away for the purpose of an operation. This fact will leave the bench still further short. If there is no objection, I would ask the indulgence of hon. members that we might pass this bill through all of its readings tonight in order that we can appoint a judge quickly, owing to the fact that the bench is short as a result of the illness of the Chief Justice.

Mr. Browne (St. John's West): Has any request been received from the government of the province of British Columbia to have this bill go through right away?

Mr. Garson: Yes, indeed there has been a request, not only from the Chief Justice himself but from the acting chief justice. He wrote me a letter just a few days ago.

Mr. Deputy Speaker: Is it agreed that the second reading take place now?

Some hon. Members: Agreed.

Mr. Garson moved the second reading of the bill.

Motion agreed to and bill read the second time.

Mr. Garson moved that the house go into committee on the said bill.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Fulton: Before you do that, Mr. Speaker, may I point out that hon. members have not the legislation before them. I do not think it is a matter of any importance but, before we agree, if at this stage the minister could just give us details as to the form of the legislation and its effect, we would know what we are agreeing to.

Mr. Garson: Certainly.

Mr. Deputy Speaker: Order. The motion for second reading has been carried. Therefore I must leave the chair so this bill may be considered in committee of the whole. If the hon. member does not object, perhaps the minister could give a further explanation of the bill when we are in committee of the whole.

Mr. Fulton: That will be satisfactory.

Mr. Deputy Speaker: Then is it agreed that I do now leave the chair, and that the house resolve itself into committee of the whole on the said bill?

Some hon. Members: Agreed.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. Knowles: Is this bill very long, or can the minister read the bill in full?

The Chairman: According to the rules, the chairman is supposed to call the first section and, if necessary, to read it.

Some hon. Members: Read it.

The Chairman: It is as follows:

Part I

1. Paragraph (d) of section 13 of the Judges Act, 1946, chapter 56 of the statutes of 1946, as enacted by section 3 of chapter 52 of the statutes of 1951 (first session), is repealed and the following substituted therefor:

"(d) Eight judges of the supreme court, each ..... 14,400.00".

The marginal note for section 1 is as follows:

Salaries of judges of court of appeal and supreme court of British Columbia.

Then part II is as follows:

Part II

2. Paragraph (d) of section 13 of the Judges Act, chapter 159 of the Revised Statutes of Canada, 1952, is repealed and the following substituted therefor:

"(d) Eight judges of the supreme court, each ..... 14,400.00".

The marginal note for section 2, part II, is as follows:

Salaries of judges of court of appeal and supreme court of British Columbia.

Then section 3:

3. This part shall come into force, and part I is repealed, on the day the Revised Statutes of Canada, 1952, come into force.

And the marginal note for section 3: "Coming into force; repeal."

On section 1—*Salaries of judges of court of appeal and supreme court of British Columbia.*

Mr. Knowles: May we take it, then, that the only change being made by the bill is to increase the number of judges from seven to eight? Possibly the nod of the minister's head could somehow be reproduced in *Hansard*, perhaps by the offset process.

Mr. Garson: My hon. friend will notice that I was nodding my head up and down, and thus signifying agreement with what he was saying. The second part read by the chairman is placed in the bill for the purpose of having it dovetail with the new revised statutes. But so far as the substance of the bill is concerned it provides only for one more judge in the British Columbia supreme court.

Mr. Graydon: Is there any great reluctance out there on the part of people to take this extra job?

Mr. MacInnis: I was not in the chamber when the Minister of Justice was giving his reasons for the bill. I should like to know if there is any backlog of court cases in British Columbia that are not being dealt with because of a shortage of judges. I imagine that is about the best criterion we could apply as to the need for an additional judge or judges.

Mr. Garson: With deference to my hon. friend may I say that the volume of writs issued and cases tried perhaps would be an even more accurate indication of the need for a new judge. I have the figures showing the number of writs and petitions in 1942. There were 669 writs and 525 petitions, making a total of 1,194. In 1949 the writs had risen from 669 to 1,882, and the petitions from 525 to 921, for a total of 2,803 instead of 1,194. Then in 1951 the total had risen from 2,803 to 2,981. And in 1952, for only seven months—and these are the final figures for only those months, because we have to secure them from the whole of the province and there is some lag—there were a total of 3,248 writs and petitions for only seven months as compared with 1,194 for the whole twelve months as recently as 1942.

Then the figures for cases heard show that in 1942 there were 226; in 1948 there were 478; in 1951 there were 597 and for seven months of 1952 there were 440.

In 1942 there were 5,165 motions in chambers, whereas in 1952 there were 8,195.

Mr. Macdonnell (Greenwood): What was the change in the number of judges during that period of time?

Mr. Garson: One more. My hon. friend will recall that one was added a year or so ago. So they are certainly working a lot harder than they were ten years ago, even with this new judge. Then to continue with these figures: In 1942 there were 973 undefended divorce actions; in 1949 there were 1,572; in 1951, there were 1,554 and in 1952, 1,134.

In 1942 there were 598 lawyers in the province, while in 1952 there were 1,024.

Mr. MacInnis: Perhaps to a lawyer the figures the minister has given would be a satisfactory answer to the suggestion that another judge be appointed. Perhaps, however, there is another answer; that prior to this time the judges really did not have much to do, and that they could deal with twice as many cases as they were dealing with before. I do not think they work a great deal of overtime—and would the minister please let me finish before he interrupts?

This may not be a very convincing argument, but it will be better if I have a chance to complete it at this time.

In all walks of life today—and I am not suggesting that it should be carried too far in court procedure, because that is something that should not be unduly hurried, and cannot be done on an assembly-line basis—people are doing more work in less time than they did before. If the minister would speak to a logger who worked in the British Columbia woods twenty-five years ago and to another who works in those woods today, he would find out that there is a great deal of difference in the amount of work each logger did.

I agree that there is another side to the matter, that the population of British Columbia has increased tremendously in the last few years. That would possibly be as good a reason as any as to why there is more work. But the actual figures the minister gave may mean, as I said before, that in the recent past the judges did not have much to do. Now, when there is some work to do, they should not be so insistent upon getting further help.

Mr. Garson: The point the hon. member has raised would be a good one if I did not have an answer for it. However, we do not appoint judges merely because we are asked to do it. We have to be shown that there is a need. Among other things we ask the question as to how much work the judges are doing. The answer to that question reveals that while in 1942 the seven judges did 1,332 sitting days' work, or an average of 16 days per month each, in 1952—

Mr. Graydon: I do not think the judges would agree with you on that.

Mr. Knowles: How many months a year?

Mr. Garson: In 1952 the average number of sitting days per judge per month was 16; in 1952, on the basis of eight judges, it would be 26 days, or on the basis of nine judges, including the chief justice, it would be 23 days. It will be seen therefore that there has been a substantial increase in the amount of work they do.

Mr. Fulton: I think the minister might make his statement a little clearer. Unless I am mistaken, when he makes reference to 16 days and 23 days he means the days on which a judge would be sitting in court. But we must remember that a judge must do his homework, write his judgments and so on.

Mr. Garson: The point raised by my hon. friend is quite correct. I had thought that this would be quite obvious. The court officials have no way of keeping track of how much time a judge spends in doing his homework. They can just keep track of the time he spends in court. I was giving the sitting days only. I do not know what percentage of his time a judge would spend writing judgments and so on, but I am sure it would be substantial.

Mr. Cruickshank: If this bill passes, which I presume it will, is there any set date by which the appointment must be made?

Mr. Garson: If this bill passes, as I hope it will, the desire will be to have the appointment made as soon as possible, because we want to get the new judge working right away.

Mr. Cruickshank: I just wanted to point out that if the appointment is held off until after the election the services of the hon. member for Kamloops will be available.

Mr. Fulton: After the election there will be more chance of a Conservative government being in power.

Mr. Macdonnell (Greenwood): I do not believe the minister has given us the details of the arrears. I think the hon. member for Vancouver East ought to be satisfied that the judges are not actually doing six or seven times as much work as they did in 1942. If the figures are available, I think we should have the number of cases in arrears awaiting judgment. Has the minister any comparative figures relating to other provinces?

Mr. Garson: Yes, I have, but I think it would be most undesirable to give them unless an application were being made by the other provinces for the appointment of a judge. The figures I have indicate that on a comparable basis the need for an additional judge in British Columbia is substantial. I feel that will answer my hon. friend's question. I would not feel free to put the figures for another province on the record unless that province was urging the appointment of a judge.

Mr. Macdonnell (Greenwood): Has the minister the same feeling with regard to comparable figures as to cases awaiting judgment?

Mr. Garson: You mean arrears?

Mr. Macdonnell (Greenwood): Yes.

Mr. Garson: I have no figures as to arrears. I understand from the fairly lengthy exchange of correspondence which took place between myself and the Chief Justice that the arrears in British Columbia are not substantial. The

judges have been working very hard in order to keep up with their work. I do not think the arrears are necessarily a good criterion because if a court is not being carefully run and if the case load is not being properly distributed, it is quite possible to build up considerable arrears when the judges available should with proper distribution be able to handle the load. I think the real test as to whether another judge is needed is the increase in the volume of work and the number of sitting days each judge puts in.

The figures I put in indicate that these judges are carrying a heavy load. They have to do a lot of homework in addition to their sitting days in court. If by hard work they have kept themselves free from an accumulation of reserved judgments, the fact remains that they still need additional help.

Mr. Macdonnell (Greenwood): I do not question the fact that most judges work very hard, but the figures given by the minister seem to leave one question in my mind. If I understood them correctly, they appear to show that the judges seem to be trying about five times as many cases as formerly. If there is any answer that can be readily given to that, I shall be interested to have it.

Mr. Garson: I think the hon. member for Vancouver East has put his finger upon part of the explanation. The case load in 1942 may have been on the low side. Since then there has been an increase of about 40 per cent in population and the number of lawyers has nearly doubled. From being on the low side, the case load is now on the high side and an additional judge is needed to take care of a load which is heavy and still increasing. Even with an additional judge these judges will be working quite hard.

Mr. Applewhaite: I think there is one aspect of this matter which has not been recognized by hon. members. Not only has there been a great increase in population in British Columbia, the picture has changed greatly as to distribution of population. There are now large and prosperous communities in the north and in other parts of the province far away from existing centres of population. While not a practising lawyer I know from contacts I have made that there is considerably more work for judges on circuits, more need for them to spend a great length of time away from Vancouver and Victoria. Therefore the amount of time spent by a judge in carrying out his duties would not be accounted for entirely by the number of cases on the docket.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

CANADA EVIDENCE ACT

AMENDMENT TO PERMIT AFFIDAVIT TO BE SWORN BEFORE A NOTARY OR A COMMISSIONER

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 9, to amend the Canada Evidence Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Beaudoin in the chair.

On section 1—*Proof of compliance with conditions.*

Mr. Fulton: I can only assume that there must have been some reason in the minds of the members of parliament and the authorities in drafting the original act when they restricted the officers qualified to take these affidavits to notaries public. What reason is now advanced why it should be desirable to enlarge it to include commissioners for oaths? I must say I see no objection but I am a little curious to know what was the original reason for restricting it, and why the change?

Mr. Garson: As my hon. friend knows, the practice prevails under this statute of doing away with the retention of voluminous documents by taking microfilm reproductions of them which are properly authenticated. Having regard to the fact that the original documents are destroyed and that all that is left of documents which may be very important are these films, I would offer the theory—I do not know for sure what the reason was, but I imagine this is it—that the reason for providing that the taking of the film had to be sworn to before a notary public was that they thought that might give an oath which was a little bit more serious or solemn than if taken before a commissioner for taking oaths.

But as time went on a number of these films were sworn to before commissioners, and the result is that a lot of material in microfilm form, the authenticity of which is beyond any doubt whatever, would now be technically, in a legal sense, valueless for the purposes for which it was originally prepared. The purpose of the bill is twofold. It is to provide that these microfilms, the taking of which has been proven by oath sworn by a commissioner rather than a notary public, shall be legal retroactively, and that from now on it will be possible to authenticate microfilms of that sort before a commissioner.

Section agreed to.

Section 2 agreed to.

Canada Evidence Act

On section 3—*Proof of compliance with conditions.*

Mr. Fulton: May I ask the minister when it is expected that the revised statutes will in fact be proclaimed? I notice they are called the revised statutes of 1952, but we are now in 1953 and we have not got them yet.

Mr. Garson: Yes. As a matter of fact we had thought that they would be available sometime during this month or next month. It is not very long ago that the hon. member for Eglinton asked me that question and elicited that answer. But the queen's printer tells us that the volume of work he has been kept busy doing is interfering with that program, and I do not think it will be possible for us to get them in February. It will be some months later in 1953 before they become available. So far as the Department of Justice is concerned, our task was completed some time ago. It is just the question of their reproduction in printed form. We also have the problem of getting the French translation made available, and there will be a bit of time lag on that as well.

Mr. Green: Is this not a rather peculiar procedure to follow? I notice that several of the bills on the order paper contain a similar provision. They purport to amend the revised statutes of 1952.

Mr. Garson: Yes.

Mr. Green: The house is being asked to approve that legislation without having any idea whether or not the amendment fits into the revised statutes. Are we not a little premature in passing these different amendments to the revised statutes of 1952 when we do not even have those statutes? Why is it necessary to include these changes in the bills before we actually see the revised statutes?

Mr. Garson: Well, for the reason that this bill and the revised statutes of 1952, to be completely effective for the purpose for which they were prepared, have to be a complete entity so that those referring to those statutes later on will know when they reach into the bookcase and pick out the volumes of the 1952-53 statutes and of the revised statutes of 1952 that these are the law as it stood in 1952, complete and entire. If we did not, in the course of this amendment we are putting through now, insert this part II revising the revised statutes of 1952, then the revised statutes of 1952 when they were later proclaimed in their present form would repeal this very bill we are now passing. Thus later we shall not only have to look at the amendments passed in 1953, 1954 and 1955 and so on, but we would have to look back to the statutes of 1952-53 and the revised statutes of 1952 to ascertain what the law was. That is why, as my hon. friend can see, we have included in all these bills a part II which merely has the effect of leaving the revised statutes of 1952 in the position in which they must be, if when they are proclaimed they are not to repeal the bill we are now passing.

Mr. Green: Will this part II appear in the actual revised statutes of 1952?

Mr. Garson: Yes, in effect.

Mr. Green: If the minister is right in that, it means that we cannot get the revised statutes of 1952 until the end of this session because the amendments involved in all the bills that are to go through the house during this session will have to be written into the revised statutes of 1952, will they not?

Mr. Garson: Well, as I was explaining a few moments ago, we cannot get them anyhow because there is this printing lag. If we could get them it would be a different question, but we cannot.

Mr. Green: It does seem unreal that the house should be called upon to pass this legislation without in effect being able to check it at all. Why not do as I believe has been done in the province of British Columbia? Where there is a revision as of a certain year there may also be statutes passed in that same year, and you have to look at those in order to be sure that the revised statutes have not been changed. Here we are in a new year. This is not the session of 1952. This is the session of 1952-53.

Mr. Garson: Yes.

Mr. Green: The revision is supposed to be as of 1952. Should the statutes of 1952-53 not be in the ordinary form and make amendments of the law as it now stands? The lawyers will have to check that, but it seems to me there is no justification for asking the house to pass legislation of this type when we really do not know anything about it. We are not in a position to check it at all.

Mr. Garson: I suggest to my hon. friend with all deference that we do know about it because the Canada Evidence Act will appear in the revised statutes. We see in part I of the bill the substance of our amendment, and all that part II of the bill says is that the substance of it will be carried into the revised statutes. That is all.

Section agreed to.

Section 4 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read a third time?

Some hon. Members: Now.

Mr. Fulton: At the next sitting of the house.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will take up third reading of Bill No. 9, an act to amend the Canada Evidence Act; Bill No. 10, an act to amend the Prisons and Reformatories Act, and Bill No. 45, an act to amend the Companies' Creditors Arrangement Act; also the resolution respecting the liability of the crown for torts and civil salvage. If those matters are disposed of, and I hope they will be, I am told that the Minister of Justice will be ready to take up second reading of Bill No. 93, an act respecting the criminal law.

Mr. Fulton: In the order the minister has given?

Mr. Fournier (Hull): In that order. If we dispose of those different matters, we will take up the small bills in the name of the Minister of Transport, Nos. 19, 38, 39. After that we can take up Bill No. 44, an act to protect the coastal fisheries.

Mr. Green: What are you going to do after that?

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

HOUSE OF COMMONS

Friday, January 23, 1953

The house met at 2.30 p.m.

GANDER AIRPORT

INQUIRY AS TO IMPROVEMENTS IN ACCOMMODATION

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to ask the Minister of Transport if it is correct that extensive improvements are being made at Gander airport in Newfoundland for the benefit of passengers by plane who have to stop off there?

Hon. Lionel Chevrier (Minister of Transport): Yes, that is so. We have in mind redecorating the present building and laying it out in a different fashion which should prove of tremendous benefit to incoming and outgoing passengers.

Mr. Browne (St. John's West): Have those works been started?

Mr. Chevrier: They are being planned at the present time.

CANADIAN BROADCASTING CORPORATION

ALLEGED INTENTION TO BROADCAST A CHILDBIRTH

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): The hon. member for Eglinton (Mr. Fleming) asked me the other day about a broadcast dealing with childbirth announced by the Canadian Broadcasting Corporation for the end of this month. I have inquired of the C.B.C. about this matter. I am informed that this program, "A New Life Begins", was broadcast on station CJBC, Toronto, on November 30, at the suggestion of, and in collaboration with, Women's College Hospital in connection with the appeal for funds by the hospital. In view of the interest and high proportion of favourable comment on the broadcast locally it had been decided to repeat it on the trans-Canada network on January 30. While the hospital expressed approval of the original program after the broadcast, it has subsequently withdrawn its concurrence in the program being repeated on a national network, and the repeat broadcast will not take place as announced.

SHIPPING

COLLISION OF VESSELS "PHYLLIS W" AND "GAESTANO S" OFF NOVA SCOTIA

On the orders of the day:

Mr. T. A. M. Kirk (Digby-Yarmouth): I should like to ask the Minister of Fisheries a question following an inquiry I made of his parliamentary assistant on Thursday of last week concerning the ramming of the *Phyllis W* by the United States dragger *Gaestano S.* Is the minister in a position to tell what decision the department has made as to the procedure it intends to follow?

Hon. James Sinclair (Minister of Fisheries): This department has investigated the incident but as it is an international matter beyond the control of the department we have referred it to the Secretary of State for External Affairs (Mr. Pearson) who will investigate the matter and raise it with the proper authorities.

BACON

INQUIRY AS TO SALE TO THE UNITED KINGDOM

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to ask the Acting Minister of Agriculture if he will comment on the statement made over the C.B.C. at the noon broadcast that negotiations are under way for the sale of bacon to the United Kingdom to the extent of $1 million.

Hon. W. E. Harris (Acting Minister of Agriculture): Mr. Speaker, the million dollar bacon purchase just announced by the British ministry of food was made possible by some of the results of the Canada-New Zealand beef exchange agreement. Exact terms of the purchase and dates of delivery have not yet been worked out, but it is expected that all details will be cleared in the near future. It should be understood that this is a single purchase and is not a bacon contract in the sense in which that term was used in the war and post-war years. It does, however, indicate the genuine desire of the two governments to maintain advantageous trading relations.

Mr. Gibson: Does the acting minister anticipate that there will be any more fortuitous profits available to the British ministry of food with which purchases may be made in

Canada? I should like to suggest if that is the case that perhaps he might consider canned salmon the next time.

WHEAT

BRITISH PURCHASES FROM RUSSIA—SALE OF CANADIAN SURPLUS

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I had proposed to direct a question to the Minister of Agriculture but as he is not present I would ask that the question be taken as notice unless any member of the government cares to answer it. In view of the report in today's Montreal *Gazette* that the United Kingdom is seeking over 22 million bushels of wheat from Russia, will the government indicate whether any steps are now being taken to arrange for sales of our surplus wheat at this time, particularly having regard to the fact that the press report indicates a condition in relation to that delivery which might not be acceptable to the nations of the North Atlantic Treaty Organization?

Right Hon. L. S. St. Laurent (Prime Minister): I think we should take the question as notice. I know there have been recent discussions between the food ministry and the wheat board in respect of this additional quantity of grain required by the United Kingdom, and rather complicated arrangements have been worked out for at least a portion of that quantity, but I think it would be preferable to have the exact details of the arrangements before attempting to say any more than I am saying at the moment.

Mr. Drew: I recognize that, and I presented the question so that it might be in the form of a notice in view of the fact that, together with the indication that the United Kingdom is now seeking 22 million bushels of wheat at a time when we have such a large surplus, there is also an indication that a condition of that arrangement will be the availability of rubber from commonwealth countries, which might be open to objection.

Mr. St. Laurent: I wished to give the hon. gentleman the assurance at once that there had been discussions between the food ministry and the Canadian wheat board in respect to the whole problem and that some arrangements had been worked out for at least a portion of the deficiency required by the United Kingdom.

[Mr. Gibson.]

BROADCASTING

INQUIRY AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of National Revenue when the government proposes to take the necessary steps to set up the special committee of the house on radio broadcasting?

Hon. J. J. McCann (Minister of National Revenue): The matter only awaits the naming of the personnel, and I expect that probably this afternoon I shall be able to place the usual motion on *Votes and Proceedings*, which will include the personnel of the committee.

Mr. Casselman: A week ago today I understood the Minister of National Revenue to blame the failure to name the membership of the committee on the whip of the Conservative opposition. Is he laying the blame in the same place again today?

Mr. Chevrier: Is that not so?

Mr. McCann: Perhaps I should have included the other parties at that time.

Mr. Knowles: Well, which ones?

Mr. Weir: In fairness to all concerned, the names of the members of the committee on radio broadcasting are in our hands. There are two or three adjustments that we are attempting to make on our side of the house, but I wish to assure the house and the other whips that there is no reflection on the latter for delay in presenting the names of their members so that the committee may be set up. I think that it can be arranged satisfactorily this afternoon.

CANADA EVIDENCE ACT

AMENDMENT TO PERMIT AFFIDAVIT TO BE SWORN BEFORE A NOTARY OR A COMMISSIONER

Hon. Stuart S. Garson (Minister of Justice) moved the third reading of Bill No. 9, to amend the Canada Evidence Act.

Motion agreed to and bill read the third time and passed.

PRISONS AND REFORMATORIES ACT

TREATMENT AND RECLAMATION OF YOUNG OFFENDERS—BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 10, to amend the Prisons and Reformatories Act.

Mr. Fulton: Would the minister make a statement as to the representations which were made which gave rise to this bill?

Mr. Garson: Mr. Speaker, the representations to which my hon. friend refers consist of a letter to myself from the former attorney general of British Columbia and in respect of which I have received confirmation today from the attorney general's department under the new government. It is a rather lengthy letter but perhaps I had better read some of the main portions of it. They are as follows:

> Some years ago, as you know, I established the institution known as New Haven for the treatment and reclamation of specially selected young offenders between the ages of sixteen and twenty-three, which has operated very successfully since its inception. We have in addition now established what is known as the young offenders unit for the reclamation and treatment of young offenders sentenced to Oakalla prison farm. It is legally part of Oakalla jail but is actually a separate building on the jail grounds operated separately from the jail. Its purpose is to take young offenders away from the jail and put them by themselves where they will be free of the jail atmosphere and the influence of the more hardened and experienced prisoners, and also provide a complete training, recreational, educational and vocational program. The unit has been in operation since early in the year and has been very successful. The principles of treatment and training approximate very closely those in New Haven, the main difference between the two institutions being that New Haven is what is known as an "open institution" with no fences or bars, whereas the young offenders unit is a "closed" institution where the inmates are kept behind bars. The unit is designed to house 100 prisoners, and the population at present is approximately sixty—
>
> To further our program of penal reform for the young offender in this province it is necessary to make provision for transfer of inmates from New Haven to the young offenders unit and vice versa, and from either of these institutions to the jail—the transfer to be by warrant under the hand of the inspector of jails.

The purpose of this present legislation is to authorize that transfer.

Mr. J. M. Macdonnell (Greenwood): I wonder if the minister, while the Speaker is still in the chair, would care to say a word about the relationship between penal administration in the province and in the dominion. I should like to read from the annual report of the commissioner of penitentiaries dated March 21, 1951. I am surprised to find that apparently the one for a year later is not available yet. At page 95 there is the following:

> A new area of co-operation was established this year by two visits to the staff of the young offenders unit newly created under provincial government auspices at the Oakalla prison farm.

Without taking the time of the house at the moment to make any comments on the treatment of young offenders—we are all deeply seized with the importance of it—would the minister say a word to indicate the division of responsibility, if it is a division, between the dominion and the province in this connection? Would he also say something about the area of co-operation? Perhaps the minister will know whether there is anything, in the last report of the commissioner, on this subject; and in general I would be glad if the minister would outline to us the relationship, which I find a little confusing, and the nature of the co-operation. Also, perhaps he would say in general terms something about the problem of treating young offenders. As I said a moment ago that subject, we all realize, has an importance of its own.

Mr. Garson: Mr. Speaker—

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. W. G. Dinsdale (Brandon): Before the minister makes his statement and closes the debate, I would just like to have a word on this subject and also to present a query of interest to myself and, no doubt, others concerned with the problem of penal reform in Canada.

We have all been encouraged in recent years by the indications that the recommendations of the Archambault commission are at least being carried out. The province of British Columbia, from what I understand of the situation, has been pioneering in the adoption of the Borstal system in Canada, and I have been quite interested in the experiment going on at this Oakalla prison farm. Recently there were some disturbing reports of undesirable conditions existing at the prison farm and I am wondering whether the request from the province of British Columbia has anything to do with the reports that appeared in the press.

Apparently there was a breakdown in discipline—I imagine at the prison farm itself—because of the lack of suitable supervisory staff, persons with proper training and so forth. It seems to me that perhaps, as the recommendation before us this afternoon deals with the problem of segregation or increasing the facilities for segregation, it may be related to some of the reports that came out in the press concerning the disturbances at Oakalla prison farm. I would like to have that question answered.

Mr. T. H. Goode (Burnaby-Richmond): Before the minister speaks I would like to tell the house that not only is Oakalla prison farm in my riding but also this young offenders unit and the New Haven. I would like to tell the minister how successful this young offenders unit has been.

The success of the unit is due first to the choice of the young men they put in there and, more importantly perhaps, to the type

of man that is on the staff. There is a chap named MacKay in charge of the unit and he is about the finest type of man for this work that I know of. When I am home I go to the young offenders unit at least twice a month and some of the work that is being done with young men is marvellous. Some of them seem to me, in the first instance, not likely to be good citizens, yet in three, four, five or six months they turn out to be very fine types of young men. Credit for that, of course, is due to the staff.

I want to tell the house about the type of building they house the young men in. It is an ideal building. It is a clean building, put up in the last two or three years, and they have there, more or less, a system of honour. New Haven is a different type and quite lately I have heard some instances of young men being taken out of the young offenders unit and New Haven and put into private industry before their sentences have been completed. That has worked out well.

I have had a little to do with the New Haven unit too and I can only say to the minister that both of these places are being taken care of by excellent staff.

As far as Oakalla is concerned, you know the situation as well as I do. It is a bad situation. Young prisoners there are in overcrowded conditions. The provincial government of British Columbia is now proceeding to put up new temporary buildings which will not fit the requirements at all, and we have arrived at the point where we must take young offenders away from old offenders. Until we do so we will not have success with youth reform.

Mr. Angus MacInnis (Vancouver East): There is nothing I wish to add in debate on this bill except to endorse what has been said by the member for Burnaby-Richmond (Mr. Goode). The purpose of the bill is a very logical one, that of attempting to segregate young offenders or first offenders from seasoned and old criminals. I am told that one of the results of the present situation, where young offenders are sent to Oakalla, is that they mingle with persons of chronic criminal habits. These young men who are put into prison in the hope of reform as well as punishment come out worse than they went in.

As the bill states in the explanation, this is an effort to put them under better circumstances so that they will come out and have a chance to go on in a more constructive way of life.

I will say to the Minister of Justice (Mr. Garson) and to the member for Brandon (Mr. Dinsdale) that the happenings at Oakalla have nothing immediately to do with the bill but they give another reason for passing the bill. This material and the explanatory note from the attorney general came over a year ago and what happened at Oakalla was much more recent, although it developed over that period. I believe that the measure is one that is entitled to our unanimous support.

Mr. William Bryce (Selkirk): Mr. Speaker, I want to commend the government of British Columbia for what they are doing in this matter. We must commend them and also this government for the support it has given in that way.

I think one of the great drawbacks has been that of putting younger offenders along with older offenders. The younger ones learn very quickly. We put them in prison not only to punish them but to reform them, and a system like the one contemplated here will do wonderful work.

I know that the Minister of Justice has seen something of it in Britain. I made a point of looking it over myself and there is no end to the good that can be done if you can save even a percentage of these people from becoming regular offenders. The effort is well worth while, and I hope that this will spread to other provinces so that we will be able to give all young people who make a first mistake an opportunity to be shown the error of their ways and of becoming good citizens. I think that it would be better to keep inside those who are not going to become good citizens, because we can look after them more cheaply inside than we can on the outside.

Mr. R. R. Knight (Saskatoon): I welcome the bill and the principle which lies behind it. My purpose in rising at the moment is to ensure that the minister answer one or two questions which I have in my mind about it.

I see in the explanatory notes that the purpose of the bill is reclamation. That is all to the good. The province has now established the young offenders unit for treatment or reclamation of young offenders sentenced to Oakalla prison farm. Then it says, as the minister has said, that the main difference is that there are bars in one place and no bars in the other. I think there must be other differences, and it is about those that I should like to ask the minister. I am interested, for example, in how the people will be selected, because I presume they will be a selected group. Unfortunately, there are criminals even in the age group suggested, between sixteen and twenty-three, who would be better kept out for the sake of others in that particular institution because of the evil influence which they might exert upon others. I suppose the minister, therefore, will assure

us that there will be a screening to ensure that these will be people who not only will benefit personally from such treatment, but will not be an evil influence upon the others who are there.

My question would naturally be, is there any qualification for the selection of these particular prisoners, except the one qualification of age, being between sixteen and twenty-three. The avowed purpose of the bill is the reformation of these people. I would be interested in knowing something of the method by which that reformation will be carried out. The minister will not be surprised if I ask him what the program of education is to be for these people, and what system it is hoped to use?

Then there is this last thought. Just as these young people can be sent to this better type of prison, I presume arrangements can be made whereby they can be sent back to the original prison farm, if that is the proper term. I would be interested in knowing under what conditions these people would be sent back to a place where, even at their age, they would have to mix with what someone has called hardened criminals. Those are the thoughts that have occurred to me, and I would hope the minister might tell us a bit about some of those things.

Mr. J. L. MacDougall (Vancouver-Burrard): I should like to say a few words in connection with this bill, Mr. Speaker, because of the close proximity of my riding to Oakalla. In addition to that is the fact that, regardless of the merits of this bill—it has merits and I support it—in my opinion we are not getting down to the roots of the problem connected with the Borstal institute and the Oakalla institute. Later in this session I propose to introduce certain amendments to the narcotic drugs act, which I feel are closely associated with the inmates of the institutions mentioned in this bill.

I believe it would be wise that hon. members of this house should know now that today we have more than 4,000 drug addicts in the Dominion of Canada. By that I do not mean only 4,000 people who take drugs, but those are the drug addicts who are known to the authorities. I am sorry to have to admit, sir, that amongst those 4,000 the city of Vancouver, being a seaport, has between 1,300 and 1,400. Next come the city of Montreal, the city of Toronto and the city of Winnipeg. Consequently, it is a vicious situation with which we have to deal. In my opinion it is one which can only be effectively stopped or retarded by very severe amendments to our present narcotic drugs act.

It is common knowledge that there is traffic in drugs throughout all the ridings of the lower mainland of British Columbia, including the riding of Burnaby-Richmond, Fraser Valley, New Westminster, and including all the ridings of greater Vancouver. The Minister of Fisheries (Mr. Sinclair) might object, but I might go so far as to say that there is some traffic in drugs in the southern portion of his riding, which includes the towns of North Vancouver and West Vancouver. The unfortunate part of the situation is that first offenders go into these institutions, and by the time they come out they are post-graduates in the drug traffic. Not only does this traffic cause the great influx into these institutions, but the traffic is spreading amongst the high school group quite rapidly. This is natural, because it is like the bootlegging business. A bootlegger cannot thrive unless he has new customers. Similarly, a trafficker cannot thrive unless he has new potential buyers for the drugs he is selling.

Now, that is a picture of which I do not think any Canadian can be particularly proud. I am sure that when I introduce these amendments to the narcotic drugs act they will receive the complete endorsation of every member in this House of Commons. I do not believe these amendments are going to be the cure-all or end-all of the present problem. In the city of Vancouver we have had a committee of experts studying this problem for a long time. I do not mean amateurs, but men who know the business. They have given us their report. The thing which I wish to make clear is that anything we may do in this bill is not going to completely cure the problem. It will be what I might term a step in the right direction. Anything that can be done to remove the appalling situation which now exists in these institutions and segregate the young offenders from the old drug addicts, who are only too happy to teach the young offenders, will be a step in the right direction. Anything that might be in the least a preventive will be welcome. Consequently, though I say this is not by any means the answer to the problem, it is a step in the right direction, so I shall support it.

Mr. Speaker: If the minister speaks now, he will close the debate.

Mr. Garson: If I may take up some of the points which have been raised, first of all I should take up the point raised by the hon. member for Greenwood (Mr. Macdonnell). May I say that I can well understand the confusion which arises here because of the fact we are dealing in this house with a law which is applicable, not to our own penitentiary system at all, which is covered by a separate statute, but to provincial prisons and

reformatories. This which on the surface might appear as an anomaly is accounted for by the fact that, under our constitution, it is this parliament which has the responsibility for the enactment of the criminal law of the country. We have discharged that responsibility by providing in this country a law known as the Criminal Code which sets out the various offences and crimes, and prescribes their punishment. Section 1056 of the Criminal Code provides:

> Everyone who is sentenced to imprisonment for a term less than two years shall, if no other place is expressly mentioned, be sentenced to imprisonment in the common jail of the district, county or place in which the sentence is pronounced, or if there is no common jail there, then in that common jail which is nearest to such locality—

In addition to these common jails in which the facilities are not always of the highest order, there have been created in the various provinces a number of other institutions such as those which are at present under discussion in the case of British Columbia. In line with the jurisdiction of the federal parliament over criminal law and the punishment to be meted out under the criminal law, it has been necessary for us to pass this Prisons and Reformatories Act to provide for the manner in which prisoners who have broken federal laws and are in this other better class of prisons and reformatories in the various provinces shall be guarded and cared for.

In this act we have in part I the general group of sections which are applicable to all of the provinces. In parts II to IX are the sections which are made specifically applicable to each of the provinces. For example, part II deals with Ontario, part III deals with Quebec, part IV deals with Nova Scotia and part VIII with British Columbia.

In this present bill we are seeking to deal with certain sections of part VIII. These provisions in our federal statute deal with the way in which prisoners shall be maintained in these provincial institutions. When some new method of dealing with them—such as the one contemplated in this present bill—is evolved, it is necessary, from the legal point of view, that the attorney general's department of the province concerned should seek from us an amendment to our statute, the Prisons and Reformatories Act, empowering them, as in this case, to transfer these prisoners from one institution to another.

This sounds indeed like a rather awkward arrangement but by a great measure of co-operation between the two levels of government we have experienced no difficulty. Where we have a request, as we have here, we satisfy ourselves that it is a reasonable one and then always comply with it without any question. It is for that reason that I would be unable to go into the points which were raised by the hon. member for Saskatoon (Mr. Knight). He says he wants to know what method of reclamation they have in those institutions, and that he surmises that the purpose of the bill is to deal with these young offenders and to screen them. His surmise in that respect seems to be correct. What we are doing here is to give, by an amendment to this statute, the necessary legal authority which will enable the provincial authorities to provide some of the mechanics of screening. For if, as my hon. friend from Saskatoon suggests, there may be amongst the young offenders one who is the most dangerous, he then should perhaps be screened out from that group which the authorities are trying to reform and should be sent over to the other institution. In that process there will be a movement of prisoners from one institution to the other, as the screening proceeds. Without the authority to transfer these prisoners provided by this bill there is some question whether they would be able to do that. What we are really providing here is a means of facilitating the plan of operation of the provincial authorities.

I want to make it abundantly clear that because the provincial authorities come to us for legal authority in this way, we have never to the slightest degree attempted to withhold that authority, subject to our approval of what they do. Therefore, not having interfered with them in any way whatever in their management of their institutions, I may tell my friend the hon. member for Saskatoon, through you, Mr. Speaker, that we are not able to say what their methods of reclamation are.

The hon. member for Greenwood referred to an allusion in the penitentiaries report for the year 1951 which he has in his possession, and which was to the effect that the author of that report or of the portion of it dealing with British Columbia had said that the area of co-operation had been extended in that year by a visit, as I recall it, to Oakalla prison. I would interpret that statement to mean nothing more than that since the federal penitentiary authorities and the provincial prison authorities in British Columbia are both labouring in the same vineyard, trying to provide for the custody and reclamation of prisoners, they try to co-operate; although I want to make it perfectly clear that, in doing so, they stick quite closely to their own jurisdiction.

There is no connection at all between the operation of our penitentiaries system and the operation of the provincial prison system

in any province. I want to make that fact abundantly clear. The Criminal Code states it clearly. Those who are sentenced to less than two years go into the provincial prison system. Those who are sentenced to two years and more go into the penitentiary system. But while these two systems are quite distinct, the two authorities co-operate with one another. Since this bill is confined to this one narrow question as to whether we are going to give the British Columbia prison administration legal authority to transfer these prisoners, it is for that reason, that as to these other matters which have been raised I am, to begin with, not equipped with facts to discuss them; and if I were, Mr. Speaker, I think I would be out of order in doing so; for to do it is not really relevant to the real principle of this bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Beaudoin in the chair.

On section 1—*Imprisonment in young offenders unit or in New Haven.*

Mr. Macdonnell (Greenwood): As the minister mentioned, Mr. Chairman, I looked up the annual report of the commissioner of penitentiaries just in order to see whether there was any reference to this matter and I found that there was. I have tried to get a more recent report. I spoke to the minister about it and I am not quite clear—I am raising the point now—why the report of March 31, 1952, which I understand is in print, is not available. Can the minister tell us whether or not it has been laid on the table?

Mr. Garson: My hon. friend raised this with me last night, as a matter of fact, and I have been so very busy that I have not had time to check. I have a recollection, which may be wrong, that I did table it, and I dictated a memorandum about midnight last night suggesting that a copy of this report could be obtained for 1952 and sent to my hon. friend. If he has not received it I can only say that I will double check and see that he gets it.

Mr. Macdonnell (Greenwood): I was told by the library last night that it was in print but that the queen's printer would not release it. Can there be any foundation for that?

Mr. Garson: I would not think so. May I ask the Clerk to find out whether it has been tabled? My recollection is that it has been, but the Clerk tells me that they will have to check downstairs to see if that is so. In any event, owing to a lack of time, I have not checked it before now, but I shall do so, not this afternoon or evening but I shall do so certainly in the morning and see that my hon. friend gets it.

Mr. Goode: May I ask a question? In the explanatory notes I find the following paragraph:

> The purpose of the amendment is to authorize transfer from the young offenders unit to New Haven and vice versa, and between these institutions and the Oakalla gaol.

This has been going on for a long time. From whom has the provincial authorities received authority to do that?

Mr. Garson: Well, I have no official cognizance of the fact that it has been going on for a long time. Perhaps it may have been going on without this authority, but if it has been then I would assume the provincial authorities have requested that we pass this bill in order that the practice in that regard may be regularized. Transfer of offenders under provincial laws does not require this authority.

Mr. Goode: I have no desire to embarrass the minister with respect to anything that goes on outside his authority; but I know of dozens of cases at least where this has happened. This may be a legal question, and it may not, because I would not know one. What would be the position of a young man who was taken from the young offenders unit in Oakalla and transferred to New Haven? What is the legal right now if that happened say three months ago? Has a person who is so transferred got any redress in law in regard to that change, or not?

Mr. Garson: There is a rule, Mr. Chairman, in this house, I believe, that the attorney general is not supposed to give any legal opinions in the house, a rule which I very seldom invoke; but I think this is one occasion when it would be prudent for me to invoke it. To begin with, I think it would be a matter of some difficulty to say what his rights were. That would depend in some degree upon when he attempted to exercise them. If he, for example, were strongly opposed to being so transferred and if his friends could consult a solicitor he might at that time challenge the action. But if this happened six months ago, what he could do about it now is open to considerable question, because if there were legal injury I should think that the damages for it would be very small indeed.

Section agreed to.

On section 2—

Mr. Knowles: May I ask another question on clause 2 to obtain further information as to the form of this bill and other bills which

are being enacted during this period of time when we have not yet received the printed volumes of the Revised Statutes of Canada, 1952? I note that the clauses in part II of this bill seem to be identical with the clauses in part I, except that they are numbered differently. Am I correct in assuming that that difference in numbering is so that part II will conform to the changes in the numbering of the sections in the Revised Statutes of Canada? Is that a fair assumption? I see the minister nodding his head up and down.

My further question is this. It arises because as we look at a number of these bills having two parts there does seem to be a complicated procedure and I suggest that we are going to need more lawyers to understand these very complicated bills. If a bill such as this, or any other that is set out in two parts, were delayed until the Revised Statutes of Canada, 1952, had appeared in public, would it still be necessary to have these two parts in these various bills?

Mr. Garson: May I deal with my hon. friend's last question first? He says, until the revised statutes appear in public. If he would amend that and say, until they have been proclaimed, then it would not be necessary.

The point which has been raised by the hon. member for Winnipeg North Centre is the same point that was raised yesterday by the hon. member for Vancouver-Quadra. I must say that in an endeavour to make a brief reply to the hon. member for Vancouver-Quadra I really do not think that my answer did justice to his question, and therefore it would be desirable—if hon. members will bear with me, and if they object to the length of the statement they will have to blame the hon. member for Winnipeg North Centre for having raised this matter again—to make a somewhat more adequate statement on the point now.

The first fact in this connection that should be noted is that—and some of these facts may be obvious, but they are relevant to this question and I think I should mention them in this context—the preparation of the revised statutes is an enormous task. There are approximately 6,000 pages in each version, and to print this material and bind it takes from eight months to a year.

In our last revision which took place in the quieter days of 1927, there was then sufficient time between sessions of parliament to get this printing done; but as hon. members know, in the last two sessions of parliament we have had to sit almost constantly, which has made it impossible for us to get the revised statutes printed and issued between sessions of parliament. The result of that is, as is the case with this very bill that we are dealing with now and the one dealt with yesterday, all these amending bills that come before this session of parliament will be amending statutes that are in the process of consolidation, revision and printing. Our new Revised Statutes of Canada, 1952, are now on the presses. The first three volumes have been printed and the remaining volumes are being printed. The result is that the amendments which are now being made in this parliament—this very bill, for example—cannot be incorporated in the text. That was the point that the hon. member for Vancouver-Quadra brought up. They cannot be incorporated in the text of the Revised Statutes of Canada, 1952, without scrapping the entire revised statutes and resetting type for the whole thing, and that is of course out of the question.

Part I of the bill deals with the Prisons and Reformatories Act as it now exists. However, when the time comes that we get the printed Revised Statutes of Canada, 1952, from the printers complete and entire and are in position to proclaim them, to bring them into effect, the Revised Statutes of Canada, 1927, will thereupon be repealed and the new revised statutes of 1952 will take their place.

In the particular case with which we are dealing, this will mean that the Prisons and Reformatories Act as it now exists will be repealed and a new Prisons and Reformatories Act will take its place, but this new Prisons and Reformatories Act as it is set out in the Revised Statutes of Canada, 1952, will not include the amendment which is now being made.

Therefore, the result of proclaiming the revised statutes of 1952 will be to wipe out the amendment now being made by parliament in this bill and restore the law to what it was before this bill was passed.

Mr. Green: If there were not a part II to the bill.

Mr. Garson: The hon. member for Vancouver-Quadra has put his finger right on the point, when he says "if there were not a part II to the bill". To avoid this result is the purpose of this part II. We add to all of these bills a part II which will make to the Revised Statutes of Canada, 1952, the same amendment which is now being made to the Prisons and Reformatories Act by part I. The result will be that when the revised statutes come into force they will be amended in exactly the same way as the present act is being amended by part I of this bill and in that way the law will remain the same and

will be contained in the revised statutes of 1952 and in the statutes of this 1953 session of parliament.

Mr. Knowles: I am grateful to the minister for his explanation as it answers most of the questions that have occurred to us. Another question that occurs to me might more properly be asked under section 3, but since it is so closely related to these questions perhaps I will be permitted to ask it now. This is a technical legal question by a non-legal person. Why is it necessary when part II comes into effect and thereby amends the revised statutes of 1952 to repeal part I which had the effect of revising the same law in the statutes of 1927? Do the revised statutes of 1927 go out of existence? Are they quashed? Are they done for when the revised statutes of 1952 come into being?

In the research that I have done from time to time I have had occasion to look up statutes that were pre-1927 and the free legal advice that I pick up around this place has been to the effect that some of the statutes previous to the revised statutes of 1927 are still part of the law of the land. I should like to have the minister's comments on this.

Mr. Garson: I must not be taken as agreeing with any statements which my hon. friend has just made, although I am not particularly questioning them. I would prefer to put this in my own words. Section 3 reads:

> This part shall come into force, and part I is repealed, on the day the Revised Statutes of Canada, 1952, come into force.

I apprehend that the reason for that section is to make it clear out of an abundance of caution that after this part comes into force the Revised Statutes of Canada as amended by part II of this bill will be the law on this subject. It is an attempt to remove any possible doubt there might be or to answer an argument that an astute lawyer might make to the effect, "Part I is still in effect in relation to this," or perhaps the argument might be made that by not repealing part I it was an affirmation that the statute as distinguished from the revised statutes should continue in force.

Mr. Knowles: What is the situation after the Revised Statutes of Canada, 1952, are proclaimed with respect to laws previously passed? Perhaps I could put my question in two parts. First, what is the status of these books entitled "Revised Statutes of Canada, 1927"? Have they any more value or can we throw them away? Secondly, what is the status of any laws back across the years which have not been brought forward and put into the Revised Statutes of Canada, 1952?

Mr. Garson: Before answering the second part of my hon. friend's question I would want him to give me a concrete example. With regard to the first part of his question, I would point out that when the Revised Statutes of Canada, 1952, come into effect and part II of this bill comes into effect along with them, it becomes part of the Revised Statutes of Canada, 1952. There is a provision in the revised statutes of 1952 repealing the whole of the revised statutes of 1927, just as this section 3 will repeal part I of this bill on the day the Revised Statutes of Canada, 1952, come into force.

Therefore the answer to the first part of my hon. friend's question is that from that point on, the revised statutes of 1952 will be in full force and effect but the revised statutes of 1927 will be without effect. He asks if he can throw them away. I would say "no" because they will have great historical value to assist lawyers and others to trace the history of certain pieces of legislation.

Mr. Knowles: I recognize clearly that they will have a historical value, but might there not be another type of value? Supposing a lawyer was dealing with a case of some sort concerning which it was necessary to find out what the law was at a certain previous date, which might have a bearing on a case in court. Might it not be desirable for him to look back and say to the court, "This is what the law was in 1927."

Mr. Garson: That is exactly what I meant by historical value. I was using two words instead of a larger number.

Mr. Goode: Not being a legal man, may I ask this question? May I refer to section 153 of the Prisons and Reformatories Act. Whenever he deems it expedient to do so he may take young lads out of the young offenders unit, or out of New Haven, and put them into Oakalla prison. I should like to ask the minister whether there is any appeal from the decision of the person who is inspector of jails or from that of any other officer authorized by the lieutenant governor? Is there any appeal from his decision or can he just come along willy-nilly and say: This lad should not remain in New Haven; we will put him with the older men in Oakalla prison?

Mr. Garson: Frankly, Mr. Chairman, I could not say because I would imagine it would depend largely upon the provisions of the provincial statutes which cover the operation of these jails, and I do not have them before me.

Section agreed to.

Section 3 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read the third time?

Some hon. Members: Now.

Mr. Fulton: Next sitting. May I ask the minister whether he has had a request from British Columbia to expedite this measure in the same way that he had one with regard to the amendment to the Judges Act?

Mr. Garson: Having regard to the fact that the request came back in October and that I have got confirmation only this day from Mr. Pepler, the deputy attorney general, I think it would be desirable. We could not get it through before because the house was not sitting. However, if as the hon. member for Burnaby-Richmond has said, they have been acting in this way for a long while, perhaps we had better legalize what they are doing as soon as possible.

Mr. Knowles: By leave.

Mr. Garson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

PENITENTIARIES

TABLING OF REPORT FOR 1952—AVAILABILITY OF COPIES

Hon. Stuart S. Garson (Minister of Justice): On a question of privilege, Mr. Speaker, I wonder if I might clear up a matter which was raised by the hon. member for Greenwood (Mr. Macdonnell). He asked whether I had tabled the report on penitentiaries for 1952. I was sure I had because there is a provision in the act that requires its tabling within a certain period of time, and that is not a provision which I am likely to overlook. In order to comply with that provision, however, I had to table it in photostatic form, in which form it is rather bulky and unhandy. The printed copies are not yet available from the bureau but I understand they will be fairly shortly.

Mr. Macdonnell (Greenwood): May I, as a question of privilege, ask one question? Can the minister tell us when it was tabled? Here we are almost a year from the termination of the period which the report covers and we have not got it yet.

Mr. Garson: I tabled it on the 1st of December, 1952. The explanation for the time lag is that the fiscal year of the penitentiary system ends in March but we have, as my hon. friend knows, penitentiaries and institutions scattered throughout the various provinces of Canada and there has always been that much lag in getting the accounts in, the report prepared, and so on.

Mr. Macdonnell (Greenwood): I have not made my point clear. The minister filed it in December. It is nearly February. Is there a necessary time lag of two and a half months for printing?

Mr. Garson: I did not hear the hon. member.

Mr. Macdonnell (Greenwood): Is there a necessary time lag of two and a half months? Could we blame this on the Minister of Public Works (Mr. Fournier) in any way?

Mr. Fournier (Hull): I do not know, but I am under the impression that under the statutes these reports must be tabled at the next session of parliament within the first fifteen days. That is what applies to my department and other departments, I believe, where the fiscal year ended on the 31st March, 1952. They prepared the report—they could not prepare it before that—and when the session started in November last year the minister, as it was his duty to do, tabled the report on the 1st of December.

Mr. Green: But the question is, why not give us a printed copy?

Mr. Garson: That is the point.

Mr. Fournier (Hull): Do not blame the minister for that.

Mr. Garson: That is the point. Why not a printed copy? The reason for the printed copy not being available is that it does take that length of time to compile all the material and get the report ready. I will not take in too much territory, but I can assure hon. members that certainly there is no more efficient branch in the Department of Justice than the penitentiaries division. It is very well operated and they are excellent men.

Mr. Deputy Speaker: I wonder how much longer I should allow this debate on a question of privilege to go on.

COMPANIES' CREDITORS ARRANGEMENT ACT

LIMITATION TO COMPANIES WITH OUTSTANDING BOND ISSUES

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 45, to amend the Companies' Creditors Arrangement Act, 1933.

Mr. Knowles: Is the minister going to give us a little speech on this one?

Mr. Garson: Mr. Speaker, the Companies' Creditors Arrangement Act was passed in 1933. At that time the Bankruptcy Act did not contain adequate provisions for an arrangement between a corporate debtor and its creditors by which the corporate debtor, by getting an extension of its liabilities, could liquidate them, avoid bankruptcy and retain its identity. In other words, if they were going to come under the Bankruptcy Act at all they had to go into bankruptcy. The Companies' Creditors Arrangement Act was passed to enable these corporate debtors to make an extension of that sort without going into bankruptcy. But it appeared that the Companies' Creditors Arrangement Act was passed without too careful regard for the protection of the trade creditors of mercantile concerns going into an arrangement of that sort under this act, and since the arrangements under the Companies' Creditors Arrangement Act were not in the hands of an official trustee as under the Bankruptcy Act, it was found in a number of cases that the trade creditors' interests were frequently and seriously prejudiced.

As a consequence a bill was introduced in the house in 1938 to repeal the Companies' Creditors Arrangement Act altogether. But this was strongly opposed by the Dominion Mortgage and Investment Association because, amongst other reasons, the laws of the United States prohibit the sale of securities unless there is in existence in relation to them appropriate legislation to enable a majority of stockholders to effect a reorganization of the company if the circumstances seem to demand it. Of two conflicting groups who were in disagreement in respect of the legislation, one was this Dominion Mortgage and Investment Association which desired the retention of the Companies' Creditors Arrangement Act in order to deal with financial companies whose creditors were secured by a trust deed containing a provision for a trustee for such creditors. On the other hand was a group of businessmen who were either trade creditors themselves or were opposed to the trade creditors being mulcted under the same act in respect of mercantile liabilities.

The introduction of the present bill is agreeable to both these groups. When the bill was before the other place, I am informed that both groups appeared and were agreeable to its provisions. With the passage of this bill it will leave companies that have complex financial structures, and a large number of investor creditors, able to use the Companies' Creditors Arrangement Act for the purpose of reorganization. Moreover they will be able to use it efficiently; because as a rule, the terms of their own trust deed provide for a trustee of the creditors whose business it will be to look after their interests properly, a provision which is almost invariably absent in the case of the mercantile creditors. The mercantile companies will be able to use the provision of part III of the new revised Bankruptcy Act, which, unlike the Bankruptcy Act in force in 1933, has a provision whereby companies may apply for an extension to work out their affairs without incurring the stigma of bankruptcy.

Moreover, this provision in part III of the Bankruptcy Act requires the appointment of a trustee in bankruptcy who will look after the interests of the mercantile creditors and who will have supervision of the bankruptcy branch, which proceedings under the Companies' Creditors Arrangement Act do not now have.

I have a very large number of examples of abuses of the existing act but I will not burden the house with them unless anyone wants an example given.

I do not think there can be great opposition to this because it seems to be an arrangement—the arrangement set out in this bill—which adequately protects the mercantile creditor, adequately protects the position of the investor creditor, and is not at all unfair to the corporate debtor in either case.

Mr. J. M. Macdonnell (Greenwood): This is a measure, as the minister has indicated, which has to do with the mechanics of reorganization. I think it can be said, following his explanation, that the proposed amendment will leave the Bankruptcy Act and this act complementary to each other in a way which I think will be efficient. It will facilitate corporate reconstruction when it is necessary and also remove the occasions of abuses which at one time were rather freely practised.

The matter was discussed at length in the Senate committee. Present there were representatives of those who are, I think, most familiar with this. I do not think there can be any suggestion that, as it stands now, it will be anything harsh or oppressive, or anything which can be used in an unscrupulous manner by debtors who wish to escape their creditors.

In other words, Mr. Speaker, I think the amendment is sound.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Beaudoin in the chair.

Companies' Creditors Arrangement Act

On section 1—*Unsecured creditor.*

Mr. Fulton: Just one question on section 1. I would appreciate it if the minister could advise why it is that the exception is included in the amendment. The amendment itself, included for the purpose for which he described and with the effect that the hon. member for Greenwood has outlined, seems to be entirely an exception. There is included in the amendment a provision which, as it has been explained, seems to have the effect that the trustees for the holders of these unsecured bonds, debentures, debenture stock or other evidences of indebtedness, are deprived of their right. I understand that otherwise they would have the right of voting at a creditors' meeting in respect of such unsecured obligations of the company. Why is that exception put in there?

Mr. Garson: I am sorry but I do not get my hon. friend's point. What is the language of the bill to which he refers?

Mr. Fulton: The provision starting at line 15:

—except voting at a creditors' meeting in respect of any such bonds, debentures, debenture stock or other evidences of indebtedness.

The effect of the amendment as it now stands seems to me to be that there is now included in the definition of an unsecured creditor a person who is, or a corporation who is, a trustee for the holders of any unsecured bonds, debentures, debenture stock or other evidences of indebtedness. He shall be deemed to be an unsecured creditor for all purposes of this act:

—except voting at a creditors' meeting in respect of any such bonds, debentures—

Why is that exception put in the amendment?

Mr. Garson: I imagine it is put in the amendment for the purpose of protecting an existing right which he has and which it is not thought necessary to disturb by this new arrangement.

Read the whole thing. It says:

'unsecured creditor' means any creditor of a company who is not a secured creditor, whether resident or domiciled within or without Canada and a trustee for the holders of any unsecured bonds, debentures, debenture stock, or other evidences of indebtedness issued under a trust deed or other instrument running in favour of the trustee shall be deemed to be an unsecured creditor for all purposes of this act expect voting at a creditors' meeting in respect of any such bonds, debentures, debenture stock or other evidences of indebtedness.

In other words, the exception that my hon. friend is referring to is an exception which refers to this new part which is being added to this clause, and it refers to a trustee for the holders of unsecured bonds.

[Mr. Macdonnell (Greenwood).]

Mr. Fulton: Yes.

Mr. Garson: And it says he shall not have any right except to vote at a creditors' meeting in respect of the bonds for which he is trustee.

Mr. Fulton: No. On the contrary, unless I misunderstand the language, it says quite the opposite. It says that he shall be deemed to be an unsecured creditor for all purposes of this act except the right to vote at a creditors' meeting. In other words, you are bringing the trustee for the holders of unsecured bonds, debentures, debenture stock or other evidences of indebtedness into the category of a creditor for the purposes of this act; and then you are providing that he shall not be a creditor for the purposes of this act with respect to voting at creditors' meetings on the strength of his unsecured bonds—

Mr. Garson: I would submit that it says that a trustee for unsecured bonds shall be an unsecured creditor except that he can vote at a creditors' meeting in respect of those bonds for which he is trustee. Surely he is entitled to that.

Mr. Fulton: The minister is saying that except with respect to a creditors' meeting he shall be a secured creditor.

Mr. Garson: No. He shall be able to vote—

at a creditors' meeting in respect of any such bonds, debentures, debenture stock or other evidences of indebtedness—

—for what he is—a trustee for the holders of unsecured bonds.

The Chairman: Shall the section carry?

Section agreed to.

Sections 2 to 5 inclusive agreed to.

Bill reported.

CROWN LIABILITY

TORTS AND CIVIL SALVAGE

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the liability of the crown for torts and civil salvage so as to place the crown in substantially the same position as a private person as regards liability for (a) torts committed by servants; (b) torts arising out of breach of duty attaching to the ownership, occupation, possession or control of property; (c) damages caused by a motor vehicle upon a highway, and (d) civil salvage, and to permit certain actions to be taken against the crown in the provincial courts.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. Knowles: Perhaps the minister will tell us what this is all about—in detail.

Mr. Garson: The principle of the bill which this resolution seeks to introduce is a most important and far-reaching one. It is the final step in making the federal crown of Canada liable in tort for damages in much the same way as if it were a private person. It would be liable in respect of tort committed by servants of the crown or in respect of a breach of duty attaching to the ownership, occupation, possession or control of property or in respect of motor vehicle damages sustained by any person by reason of a motor vehicle owned by the crown.

This bill has the purpose of making the crown liable for civil salvage.

Mr. Knowles: Will the minister explain that for the benefit of those who may not understand it?

Mr. Garson: Well, civil salvage is a claim which arises when a ship owner renders services to a ship in distress which result in its being the subject of salvage. This bill will make the crown liable to pay civil salvage to those who render such services in respect of ships belonging to Her Majesty, in the right of Canada.

I think perhaps, although I would be willing to go on and deal with the matter in more detail, it would be preferable to discuss the principle of the bill at the proper time on second reading when hon. members have the text of the bill in front of them.

Mr. Fulton: In connection with this resolution, Mr. Speaker, I think that we in the official opposition are disposed to agree that the debate should take place when we have the bill before us. We shall not, therefore, at this stage say anything more than that we welcome the introduction of this resolution, because it precedes a bill which, as we understand it from reading the resolution, will accomplish an object which we have advocated for some years. While no one likes to be invidious or to indulge in recriminations purely on those grounds, I think it would be correct to simply point out that about a year ago, when we had the bill abolishing the petition of right before us, we urged the minister to go on and take the next logical step, which would be to give ordinary citizens, aggrieved by acts of those in possession or custody of crown property, the right to sue the crown in tort. We are glad the minister is now doing it, although we regret he did not do it previously.

Mr. Green: May I ask the minister whether this measure will cover the case of a person suffering damage before the bill becomes law? For example, suppose a person was injured a year ago by reason of neglect in the care of a government building, would it be possible to sue in respect of that negligence under the new act? I would hope that would be the case. I do not think it would be fair to restrict the right to causes of action which arise after the bill has been passed, provided the causes have not been outlawed by provincial law.

Mr. Garson: I really believe that is a matter that is related to the text of the bill, Mr. Chairman, which will be brought down after the resolution is passed. If my hon. friend has no objection, I think it could be best handled then, and I would be glad to do so.

Mr. Nowlan: Did I understand the minister to say, with respect to those matters enumerated here, that after the passing of the legislation the same rights would exist against the crown as exist against any individual? In other words, are there any restrictions in the law with respect to actions in tort which will be remaining after the passing of this legislation?

I am very glad to see a reference here to the bringing of actions against the crown in provincial courts. I believe that I drew to the minister's attention the unfortunate position in which people are placed when his agents have brought action as a result of motor vehicle accidents in the provincial courts, and yet when there was a good counter-claim we could not bring the counter-claim. We had to start a new action in the exchequer court. If anyone could find a more annoying situation than that, I should like to know what it is. I am not suggesting that the minister give an undertaking, but I am suggesting that he instruct his agents to proceed slowly with the institution of actions in the immediate future so that we would not find ourselves in the unfortunate position of having actions instituted by the minister in the Supreme Court of Nova Scotia some time in May, and yet because this bill had not received the royal assent we would be faced with the inconvenience of bringing an action for the counter-claim in the exchequer court.

Mr. Garson: I think, Mr. Chairman, when the text of the bill is before my hon. friend he will probably agree that the point which he raises is satisfactorily covered. In any event, it would be better perhaps to delay the discussion of the point until he has the text before him so that, if he does not agree

with our interpretation of the text, he may offer an amendment with regard to it.

Mr. Henderson: Will the bill contain a definition section defining highway, or will that be defined by the Highway Traffic Act?

Mr. Garson: I would think, Mr. Chairman, that highway would be defined by the provincial act.

The Chairman: May I suggest that if the minister gives an indication to the hon. member of what will be in the bill, he will have to reply to the other members. We should not anticipate discussion on the bill at this stage.

Mr. Knowles: May I ask the minister whether the legislation contemplated by this resolution has any bearing upon the position of civil servants in their personal capacities in respect of debts, garnishee arrangements and so on? I see the minister shaking his head. Can he indicate what the situation is in that connection while we are on this resolution? At the same time, will he tell us what the position of members of parliament is in these matters? Having regard to ourselves, I want to say that I do not think we should be in any preferred position. I was wondering whether this resolution might be of the kind that would do away with any preferred position, if there is such, so far as members of parliament are concerned.

Mr. Garson: The point which the hon. member raises is one which has no relevancy whatever to the present resolution. This resolution will not touch it in any way, and therefore I think that it would be only proper observance of the rules of the house to postpone any discussion of that point until some more apt occasion.

Resolution reported, read the second time and concurred in.

Mr. Garson thereupon moved for leave to introduce Bill No. 105, respecting the liability of the crown for torts and civil salvage.

He said: Mr. Speaker, before you put that motion may I say that His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house; and having also been acquainted with the purport of the measure to be introduced has given consent, so far as Her Majesty's prerogatives are affected, to the consideration of the bill.

Motion agreed to and bill read the first time.

[Mr. Garson.]

CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 93, respecting the criminal law.

Mr. Fulton: I presume that the minister will make a statement advising us of his intention with respect to the course of the legislation.

Mr. Garson: Mr. Speaker, we have been going along so rapidly here that my file on this Bill 93 is on its way to me from my office at the moment.

Mr. Fulton: We know that the minister is capable of speaking extemporaneously.

Mr. Garson: Mr. Speaker, the bill, the second reading of which I am now moving, passed the Senate before the Christmas adjournment and will, I expect, be referred to a committee of this house. As a matter of fact, I propose to make a motion to that effect after the second reading has been given. Having regard to the fact that it will be considered—as it was in the Senate—in great detail in this committee, I feel that there is no necessity for me to deal with it at too great length at the present time.

Before touching on the main principles of the bill I desire to say a word or two concerning its preparation. On April 7, 1952, I tabled in this house the report of the commission which had been instructed to prepare for consideration by the government a draft bill to amend and revise the Criminal Code. In that report, which I am sure all hon. members have read, there are set out at length the various stages of the work which was done and which culminated in the presentation of the draft bill that was tabled along with the report.

I should like to pause here to pay tribute to those men who were responsible for the revision. The Criminal Code revision commission was originally composed of Hon. W. M. Martin, Chief Justice of Saskatchewan; J. H. G. Fauteux, Q.C., then of the Quebec bar and now Hon. Mr. Justice Fauteux of the Supreme Court of Canada; Mr. F. P. Varcoe, Q.C., deputy minister of justice. To assist this commission and to undertake in large measure much of the detail, there was appointed a committee composed of Mr. Robert Forsyth, Q.C., then with the Department of Justice, now senior county court judge at Toronto; Mr. Fernand Choquette, Q.C., then of the bar of Quebec, now Mr. Justice Choquette; Mr. H. J. Wilson, Q.C., deputy attorney general of Alberta; and

Messrs. Joseph Sedgwick, Q.C., and J. J. Robinette, Q.C., of the bar of Ontario. The personnel of the committee was subsequently increased by the appointment of Mr. W. C. Dunlop, Q.C., of the Nova Scotia bar; Mr. H. P. Carter, Q.C., director of public prosecutions of Newfoundland; and Mr. T. D. MacDonald, Q.C., who prior to succeeding Judge Forsyth in the Department of Justice was deputy attorney general of Nova Scotia.

The work of the commission and the committee was commenced in 1949 and continued until September, 1950, when there was a reorganization and the work from that time on was carried on by a committee which was subsequently appointed a commission, and was instructed to prepare a draft bill for the consideration of the government.

I am sure hon. members will agree that as the Criminal Code which was first enacted in 1892 had not had any major review or overhaul since that date, the time had arrived, when this commission was appointed, when this task or revision should be undertaken. Indeed that is rather an understatement, if anything.

The terms under which the commission was asked to enter upon the preparation of a draft bill are as follows: (a) Revise ambiguous and unclear provisions; (b) adopt uniform language throughout; (c) eliminate inconsistencies, legal anomalies or defects; (d) rearrange provisions and parts; (e) seek to simplify by omitting and combining provisions; (f) with the approval of the statute revision commission omit provisions which should be transferred to other statutes; (g) endeavour to make the code exhaustive of the criminal law; and (h) effect such procedural amendments as are deemed necessary for the speedy and fair enforcement of the criminal law.

Hon. members will note from the terms of reference that the purpose of the revision was not to effect changes in broad principles but was to produce as simple a code as possible by the elimination of unnecessary or obsolete provisions, the correction of errors, the removal of inconsistencies and by such consolidation and rearrangement of provisions as was deemed necessary to facilitate reference. The work involved was arduous and required great care. I am sure that hon. members who have studied the bill will agree that the commission has admirably fulfilled this very exacting task.

In this connection, I should like to refer to a statement contained in the report of the subcommittee of the standing committee on banking and commerce of the Senate which made a study of the bill:

> Your subcommittee is of the opinion that our new Criminal Code will be a better code than the one it will replace and a large measure of the credit for it must be given to the commissioners.
>
> Your subcommittee wishes further to record its appreciation of the great public service given by the commissioners in the performance of a laborious and difficult task. The condensation, rearrangement and clarification of many of the sections of the present code will effect a marked improvement in the criminal law of Canada.

I have pointed out that the commission was not charged with the task of making changes in broad principles, but was asked to evolve as simple a code as possible and in doing so to make such consolidation and rearrangement as it thought necessary to the accomplishment of this end. Hon. members will observe that there has been considerable consolidation and rearrangement. This phase of the work has contributed to the marked reduction between the number of clauses in the bill and the number of sections contained in the present code. This feature of the work of the commission will, I am sure, prove of great advantage to those who are called upon to interpret and to administer the criminal law.

Another matter which I wish to call to the attention of the house is the extent to which the bill will be exhaustive of the criminal law. Under the terms of reference the commission was asked to endeavour to make the Criminal Code exhaustive of the criminal law. The commission, however, came to the conclusion that the code should be exhaustive in so far only as criminal offences are concerned, and that the criminal law of England, as presently in force in Canada, should be continued in respect of other matters, *inter alia*, procedure, matters of defence and rules of evidence not already codified. The result is that no change has been effected in so far as the common law may now have effect in Canada, other than to preclude the institution of proceedings for common law offences. The commission found upon consultation with the provinces that resort has been had to common law offences in a very limited number of cases, and there have been incorporated in the draft bill those common law offences which the experience of the past sixty years has shown could be continued as part of the criminal law of this country.

I am sure hon. members will agree that it is much more satisfactory to have those things which constitute crimes clearly set out in a statute readily available to all than to have to refer to ancient texts to ascertain what conduct is criminal in this country.

The commissioners in their report dealt at some length with punishment. There is just one phase of this matter, however, to which I wish to direct the attention of hon. members at this time, and it is their recommendation,

carried out in the draft bill which they presented, that minimum punishments and higher maximums for subsequent offences both be abolished in order to leave a greater degree of discretion to the courts.

This recommendation was not acceptable in toto and in this bill minimum punishments have been restored in respect of driving a motor vehicle while intoxicated and where ability to drive is impaired, and also in the case of certain minor offences in respect of the mails.

May I for a moment now touch on the provisions dealing with procedure? In the present code there are two parts dealing with the non-jury trials of indictable offences. In the bill, these two parts have been consolidated, and the provisions of part XVII, which deal with jury trials where they are not inconsistent, have been made applicable. The advantage of this is to have uniformity in so far as possible in the trial of indictable offences.

It will be observed that under the provisions of the consolidated parts, the jurisdiction to be exercised by magistrates will be exercised only by those who are specially appointed for that purpose.

In view of this and in the expectation that jurisdiction to act under this part will be bestowed on qualified persons, and jurisdiction to try an accused with his consent has been extended to include certain offences which must now be tried by jury. I would emphasize that this in no way impairs the right of an accused to trial by jury and that the accused will continue to have the right to select the method of trial which he desires.

The principal matters with which I wish to deal in respect of changes in procedure in summary conviction offences are the following: Under the bill provision is made for the inclusion of more than one offence in single information. This is not an innovation. A similar provision will be found in statutes of parliament and of the provincial legislatures, and the practice was widely adopted in connection with wartime regulations. As a proper safeguard, it will be noted that power is given the court to order a separate trial on any one or more of the included charges if the court is of opinion that such a course is necessary in the interest of justice.

Under the present provisions of the code, where an appeal is taken in a summary conviction matter, the court must hold a new trial. The commissioners recommended that the appeal should be determined on the evidence taken in the court of first instance as in the case of indictable offences, and that in order that the court should have before it all essential evidence, authority should be given to hear additional witnesses as well as witnesses called on the trial. It appears, however, that the proposal that appeals in summary conviction matters should be heard on the evidence taken before the court of first instance did not appeal to the hon. members in the other place, with the result that the bill that is now before this house provides that appeals in summary conviction matters shall be by way of trial *de novo*, as they are under the existing law.

Before leaving this branch of the bill, I should point out that the summary trials part and the part relating to summary conviction offences were submitted to provincial representatives at a joint meeting held in Toronto in September, 1951. These parts were discussed section by section, and the commission in its report points out that in general the revision of these parts was acceptable to the provincial representatives.

I think some reference should be made to what has happened to the bill since it was tabled, in draft form, in this house on April 7, 1952.

The bill was introduced as letter H-8 of the Senate on May 12, 1952, and on May 13 I attended in the other place, as ministers of the crown may now do, to speak on the motion for second reading. The bill was referred to the banking and commerce committee of the Senate which appointed a subcommittee to consider the measure clause by clause. After twelve meetings the subcommittee reported to the main committee on June 20. The main committee held three meetings for the purpose of considering the amendments and subsequently recommended to the Senate that, because of the amount of work remaining to be done, the bill should not be proceeded with further at that session.

During the summer of 1952 the bill was reviewed by the officers of my department in the light of the recommendations made by the banking and commerce subcommittee and a number of recommendations made by that subcommittee were adopted. The views of the criminal law section of the conference of commissioners on uniformity of legislation in Canada were also sought and secured in respect of particular provisions in the bill. I might also mention that the bill was the subject of a paper delivered by Mr. F. G. Scott, crown prosecutor for the city of Vancouver, to the section on the administration of criminal justice of the Canadian Bar Association at the meeting of that organization at Vancouver in September last. Mr. Scott, after observing that the bill had been

studied intensively by a committee of lawyers, including the provincial deputy attorney general, a learned magistrate and nine or ten lawyers recognized as very skilled in criminal law, made the following comment in connection with the bill:

> One comment I find is common to every brief that I have received: this is the wholehearted commendation to the commission for what is unanimously termed a wonderful piece of work.

In addition, during the summer recess, the Department of Justice received comments on the bill from a number of barristers in Canada and, after due consideration, certain proposals made by these gentlemen were incorporated in the bill which is now before you.

The bill was again introduced in the Senate in November at the opening of the present session of parliament and was referred again to the banking and commerce committee. The subcommittee held fifteen meetings and examined the measure clause by clause. In their deliberations, the subcommittee and the main committee had the assistance of officers of my department who were familiar with the bill. In addition, the main committee heard witnesses representing interested groups in Canada.

I think that in closing my remarks I should mention two matters that were the subject of amendments in the other place and that will undoubtedly merit discussion here when the bill is in committee.

The first of these is the question of appeals from convictions for contempt of court. Neither under the law of England nor under the law of Canada is there express provision granting an appeal, as of right, by a person convicted of contempt of court in connection with criminal proceedings. The Senate apparently considers that some provision should be made in the criminal law to permit appeals in such circumstances, and accordingly an amendment has been made in the other place to clause 8 of the bill providing for an appeal to the court of appeal of the provinces. Under the amendment, where a contempt is committed in the face of the court, no appeal would lie in respect of the conviction, but an appeal would lie in respect of the sentence imposed. Where the contempt is committed not in the face of the court, an appeal would lie both from the conviction and from the sentence imposed. I do not propose to discuss this question further at this time, but I shall have more to say in this connection when the bill is in committee.

The other matter to which I should like to direct the attention of hon. members is clause 46 of the bill, which defines the offence of treason. In the draft bill prepared by the Criminal Code revision commissioners and in the bill introduced in the Senate, paragraph (e) of clause 46 provided:

> Everyone commits treason who, in Canada, conspires with an agent of a state other than Canada to communicate information or to do an act that is likely to be prejudicial to the safety or interests of Canada.

This was undoubtedly an extension of the law of treason beyond what is contained in the law of treason at the present time under the Criminal Code and the common law. The punishment provided in the bill for this offence was death or any term of any imprisonment up to life imprisonment. It appears to have been the opinion of the hon. gentlemen in the other place that this is not an offence that should properly be defined or punished as treason, and the paragraph in question has accordingly been transferred by the Senate to clause 50 of the bill which provides a punishment of imprisonment for a term not exceeding fourteen years. This is also a matter upon which I shall have more to say when the bill is in committee.

In conclusion I might point out again that the revision of the Criminal Code was not undertaken for the purpose of effecting changes in broad principles. As hon. members know, our system of criminal jurisprudence embodies the high principles of the British system and provides as fair and just a system as it is possible to devise to ensure that justice will be accorded to all. I am sure that hon. members who study this bill will agree that there has been no departure from these principles.

In closing I should like to say on behalf of myself and the government that we appreciate fully the work which has been done by the commissioners who produced the original draft and by the various lawyers, the commissioners on the uniformity of legislation and others who have taken a keen interest and have made many useful suggestions, some of which have been incorporated in the bill before us.

Of all that group there are none who are entitled to greater commendation and gratitude than the members of the Senate committee on banking and commerce, in particular Senators Hayden, Farris and Roebuck, members of the subcommittee. Their long and arduous labours upon this bill have been invaluable and entitle them to the gratitude of the people of Canada.

Mr. Fulton: I wonder if before concluding the minister would say a word with respect to the proposal to send the bill to a special committee. The minister merely referred to that, but did not enlarge upon it.

Mr. Garson: After second reading a motion will be made to refer the bill to a committee.

Mr. Fulton: It is the intention to move that motion immediately following second reading?

Mr. Garson: That is right.

Mr. Fulton: There will be an opportunity at that time to discuss the matter?

Mr. Garson: That is right.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, it is difficult at this stage to say very much on a subject of this nature. This is the motion for second reading of a bill, not to amend so much as to revise and consolidate the Criminal Code. In discussing the principle of the bill one would be discussing the very principles of criminal justice, to which the minister has made reference in his closing remarks. The principles of criminal justice as they prevail in Canada are not of themselves the object of this bill now before us. As the minister said, the intention was not to alter or vary those principles but rather to codify the various sections of the code as they have grown up over a large number of years, dealing with various criminal offences and the procedures by which they would be tried.

My remarks will not be extensive, but there are some observations I should like to make. At the outset I join in what the minister said by way of expressing gratitude which this house and country owes to the commission and committee appointed to undertake this revision and also to the committee of the Senate which reviewed the bill the commission drafted. It is no detraction from my sincere expression of appreciation to those bodies when I say that no minority report was submitted by the committee, although it is my understanding that certain members had some reservations which they did not feel could be placed in a minority report. They were nonetheless serious, although not reduced to writing in that form.

It is not to cavil at the really outstanding job done by these bodies to say that I feel that these reservations, which were shared by other lawyers in the country, should be referred to at this stage in the hope that when discussed in the committee and advanced as objections or reservations in connection with certain provisions in the bill they may perhaps form the basis of amendments in an effort to improve the work done.

I should say also that I am speaking on behalf of the official opposition in the absence of at least one and perhaps several who are more qualified than I am to deal with this subject. I express the regret of this party, and I am sure the regret of the whole house, at the unfortunate and enforced absence of the hon. member for Lake Centre (Mr. Diefenbaker) on this occasion. In the remarks that I shall make I am frank to confess that I speak not as an expert but simply in an effort to put into workmanlike language the views which have been expressed to me by those who are undoubted experts in this field.

The fundamental criticism which has been advanced to me is that while the committee and commission were instructed and did make a real effort not to rewrite the substantive portions of the Criminal Code, but merely to codify them, they did in fact on a number of occasions yield to what has been described as temptation to rewrite the substantive as well as the procedural law, and to use words with respect to that substantive law.

The objection advanced to that course is that criminal jurisprudence has been built up over the years, in fact for almost a century, around the wording of the Criminal Code as it was first enacted, and it will be a matter of considerable difficulty for the courts to interpret the new provisions of the substantive law. It will be necessary for the courts to reinterpret words and to that extent build up new jurisprudence. Wherever words of an old section dealing with an offence have been changed it will necessarily involve the development of new jurisprudence regarding interpretation and application.

It seemed to those who expressed this view that it was unnecessary that that course should have been followed, that a greater determination should have been shown not to write new law but simply to stick to the task of codifying the existing law.

Then there have been objections and criticism with respect to another matter mentioned by the minister in his remarks this afternoon. That is in connection with the enlarged jurisdiction of magistrates. It is no part of my intention, Mr. Speaker, to imply in any degree that magistrates are not conscientious, hard-working and, for the most part, fully qualified men; nevertheless I think it is a fact that by the very nature of things magistrates are not as highly qualified as judges of either the county or supreme courts of our provinces. It is felt for that reason that it is a dangerous tendency, particularly in criminal matters, to enlarge the jurisdiction of magistrates, and it has been suggested that to do so, to enlarge the jurisdiction of magistrates, who sit of course always without a jury, obliquely abolishes or whittles away

the right of an accused to trial by jury which is such a fundamental part of our criminal law.

In that connection I realize that the commissioners have themselves pointed out that the accused is still free to elect whether or not he will be tried by jury. What the commissioners have to say on that point is found at page 13 of the mimeographed copy of their report which was presented to parliament last year. They say:

> Consideration was given to the extension of the absolute jurisdiction of magistrates and it was decided that certain minor extensions of this jurisdiction would be justified.

Then they go on to refer to the actual sections of the new bill which have that effect. They say:

> The absolute jurisdiction was further extended—

This is absolute jurisdiction, not qualified or elective.

> —to include attempts to commit the offences of obtaining property by false pretences, receiving and retaining, where the value of the property does not exceed $50.

Then they go on to say:

> In view of the requirement that magistrates who are to exercise jurisdiction under the part must be expressly appointed for the purpose, it was decided that the number of offences which should now be required to be tried by judge and jury should be reduced to include only treasonable offences, piracy and piratical acts, murder, manslaughter, combinations in restraint of trade, discrimination in trade, accessory after the fact to murder or treason, attempt to commit murder and conspiracy to murder. The rights of an accused are in no way impaired as he is entitled to elect whether he will be tried by a judge and jury, by a judge alone, or by a magistrate.

Although they have placed in there that last sentence I have read, and the minister himself has referred to it, I beg to take some issue with that statement. My submission is that, the jurisdiction of the magistrate having been enlarged and in some cases, as contained in the extract from which I quoted earlier, absolute jurisdiction having been extended, it is a fact that that is a whittling down of the right of the accused to trial by jury. Even where an accused has an election, Mr. Speaker, I suggest that it is a dangerous tendency because we know that there is a temptation to the police, who are conscientiously endeavouring to do a good job—it is with that spirit that they approach their duty, and I fully recognize it—to get a case disposed of as quickly as possible and to suggest to an accused person that he probably will be better off if he has his case disposed of with as little fuss and bother as possible, and probably it would be to his advantage to elect to be tried by a magistrate.

There are ways and ways of suggesting to an accused person just how it will be to his advantage to follow that course. Accused persons, perhaps people in trouble for the first time, not being aware of the seriousness of their position and not always realizing the fact that they are going to have a blot on their records which will follow them for the rest of their lives, are prone where the police seem friendly—they do want to keep it out of the papers and so on—to accept these suggestions. I believe that is a dangerous tendency. I realize that it is one that is welcome to prosecuting officers, but I believe it is a dangerous tendency thus to enlarge the jurisdiction of magistrates and, as I have said, to whittle away the absolute right of an accused to trial by jury.

I have heard criticism by lawyers well qualified and experienced in these matters that in this respect, as well as in some of the revised procedural sections, there has been a tendency to rewrite the law from the point of view of the prosecuting officer so as to make it easier to obtain convictions. There has been a tendency to eliminate some of the difficulties experienced by these very prosecuting officers in the past in obtaining convictions, and I state very definitely that is a fundamentally wrong approach to the task of revising the Criminal Code.

A closely related subject to that which I have just been discussing has to do with the question of the trial *de novo*. That is the question of the appeal from a conviction by a magistrate to a superior judge which, under the code as it stands, has to be a trial *de novo*, that is to say a new trial with witnesses called and the full evidence presented again. The proposal of the commissioners in the draft bill was that such an appeal should not be a trial *de novo*, but merely an appeal on questions of law; that all that should be before the judge of the higher court would be the record, such as it might be, of the proceedings in the magistrate's court, and that the judge should not have before him the witnesses and the evidence upon which the conviction was based.

I am very glad indeed to find that the Senate committee recommended, and in fact has written into the bill as reported to us from the other place, the principle that formerly existed in the code that an appeal from a conviction by a magistrate to a higher court shall be by way of a trial *de novo*. I hope this house will preserve that provision which the Senate has rewritten into the bill before us.

I do not wish to transgress the rule against discussing particulars, but I think these are matters of principle. I want to mention the reservations that are felt by a large number of qualified lawyers with respect to the

elimination of the necessity for corroboration in sexual offences. That is referred to at page 16 of the report of the commission. They say:

> One example is that under the present code on a charge of rape or indecent assault, the evidence of the complainant need not be corroborated. However, a rule of practice requires the trial judge to give a warning as to the danger of convicting on the complainant's evidence alone. This rule is codified and extended to cases of carnal knowledge with the result that under the draft bill corroboration of the evidence of the complainant is no longer required in cases of carnal knowledge.

I know that those who have had experience in criminal law and criminal trials have very great misgivings as to the tendency to eliminate the necessity for corroboration in connection with offences of this kind.

There are two other matters which I should like to mention in connection with the bill and the report of the royal commission. In reading the report I was disturbed to note that after the commissioners had stated that they had eliminated minimum fines, which I believe is a sound principle, they went on to state at page 19, in connection with the punishment for summary conviction offences:

> In keeping with our desire for simplification, the draft bill provides one general penalty for all summary conviction offences, namely, a fine of $500 or six months' imprisonment, or both.

I mention this, Mr. Speaker, because I think it is perhaps important and certainly of general interest to those who may be considering this matter who probably would have been as disturbed as I was to see that, on a first reading of these words at any rate, a standard fine of $500 for all summary conviction offences was being included. However, when you turn to the relief section and the new part dealing with summary convictions, you will find that the fine of $500 is a maximum with no set minimum at all, and that minimum sentences have been eliminated. However the first impression gathered from a reading of the committee's report is that everyone convicted on summary procedure would be fined $500. That is not borne out by the words of the section involved, which I think is 694.

The final subject which I would like to mention is in connection with this section referred to by the minister, dealing with the offences of treason and related offences against the state. I have certain very definite views on this matter, Mr. Speaker, and I think it is most unfortunate that the waters have been muddied to a certain extent by presentations—I do not want to dignify them by that word, but it was a form of presentation—made to the Senate committee by the communist leader in this country, Tim Buck.

[Mr. Fulton.]

I take the view that notwithstanding the fact that the communists may have muddied the water, we should not refrain from expressing our own considered opinions on the merits or demerits of these provisions because we are in the unfortunate position that somebody else may have spoken on the matter.

I am not going to go into detail in this house at this stage on all these questions, but I think there are certain things which can be said on these matters, as well as the relation to what I have described already as an unfortunate tendency to make it easier to obtain convictions. As I said, one matter is improperly enlarging the jurisdiction of magistrates in certain respects. However, I think the proper place for that discussion would be in the committee which the minister proposes to set up. What we say here is of general application and it is not easy to be specific.

I do want to say that while I reject absolutely the hypocritical utterances of the communist leader, Tim Buck, in this regard, nevertheless I hope that all other members will feel free, as I do, to express their views when the matter is reached.

Just in case it should appear from my remarks, which have dealt with what I consider to be weaknesses in the bill, that I am too critical, I want to say that I hope I have not left that impression. I think the bill represents tremendous work and improvement by way of codifying and shortening the code. I want to say that I join fully with the minister in the sentiments he expressed regarding the debt which the country owes to the commission and the Senate committee who have done such outstanding work in this connection.

Mr. Knowles: I should like to make a few remarks on second reading of this bill. I notice that it is getting pretty close to five o'clock, and on two or three occasions we have trespassed on the hour for private and public bills, so I wonder if the house would be willing to call it five o'clock now and go on with other items. If so, I might make my remarks in a more connected fashion at eight o'clock.

Mr. Deputy Speaker: Would the house consent to call it five o'clock?

Some hon. Members: Agreed.

PRIVATE BILLS

BEAVER FIRE INSURANCE COMPANY

The house in committee on Bill No. 43, respecting Beaver Fire Insurance Company —Mr. Rooney—Mr. Beaudoin in the chair.

On section 1—*Name changed.*

Mr. Browne (St. John's West): I wonder if the sponsor of this bill could say a few words about it. Is this company operating all over Canada?

Mr. Rooney: Yes, all over Canada. The head office is in Winnipeg, but at the moment they are changing their offices from Winnipeg to Toronto.

Mr. Browne (St. John's West): Why?

Mr. Rooney: I suppose it may be possible they want to come to a great city. The only change in this bill, however, is to allow them to extend their activities to other than fire insurance.

Mr. Knowles: They are establishing a branch office in Toronto? Is that the idea?

The Chairman: Shall the section carry?

Section agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

On the order:

House in committee on Bill No. 11, for the relief of Barbara Carrique Cordeau.—Mr. Winkler.

Mr. Deputy Speaker: I note that there are a number of divorce bills which are to be considered in committee. Is it agreeable to hon. members that they all be sent to the committee on one motion?

Some hon. Members: Agreed.

Bill No. 11, for the relief of Barbara Carrique Cordeau.—Mr. Winkler.

Bill No. 12, for the relief of Frederick Kenneth Hare.—Mr. Winkler.

Bill No. 13, for the relief of Frances Wavertree Harris McClure.—Mr. Winkler.

Bill No. 14, for the relief of Nicole Jeanne Andree Marion Comys.—Mr. Winkler.

Bill No. 15, for the relief of Joseph Mattioli.—Mr. Winkler.

Bill No. 16, for the relief of Gabrielle Bertrand McCullough.—Mr. Winkler.

Bill No. 17, for the relief of Katherine Jessie McArthur.—Mr. Winkler.

Bill No. 20, for the relief of Sarah Cohen Lintz.—Mr. Winkler.

Bill No. 21, for the relief of Fernande Robitaille Viel.—Mr. Winkler.

Bill No. 22, for the relief of John Joseph Francis.—Mr. Winkler.

Bill No. 23, for the relief of Olga Andrews Martin.—Mr. Winkler.

Bill No. 24, for the relief of Lois Hattie Adelstein Green.—Mr. Winkler.

Bill No. 25, for the relief of Nellie Slade McCue.—Mr. Winkler.

Private Bills

Bill No. 26, for the relief of Jean Davis Brady.—Mr. Winkler.

Bill No. 27, for the relief of Dominique Fiorito.—Mr. Winkler.

Bill No. 28, for the relief of Pearl Elmeda Clarke Staples.—Mr. Winkler.

Bill No. 29, for the relief of James Arthur Bruce.—Mr. Winkler.

Bill No. 30, for the relief of Bernice Rosen Rapps.—Mr. Winkler.

Bill No. 31, for the relief of Murray Cecil Day.—Mr. Winkler.

Bill No. 32, for the relief of Elizabeth Florence Robson Hamilton.—Mr. Winkler.

Bill No. 33, for the relief of Winniefred Ann Maltby Gurlevitch.—Mr. Winkler.

Bill No. 34, for the relief of Marie Claude Audette Isabelle Boulanger Douglas.—Mr. Winkler.

Bill No. 35, for the relief of Gaston Courtemanche.—Mr. Winkler.

Bill No. 36, for the relief of Norma Bernstein Cohen.—Mr. Winkler.

Bill No. 49, for the relief of Mina Eisenthal Hamerman Segal, otherwise known as Mina Eisenthal Segall.—Mr. Winkler.

Bill No. 50, for the relief of Agnes Charlotte Quamme Higgins.—Mr. Winkler.

Bill No. 51, for the relief of Agnes Mary Perkins Pereira.—Mr. Winkler.

Bill No. 52, for the relief of Rosalia Marie Sepchuk Maniloff.—Mr. Winkler.

Bill No. 53, for the relief of Anne Reddie Banks Carruthers Beaudoin.—Mr. Winkler.

Bill No. 54, for the relief of Doris Isabell Dalzell Bennett.—Mr. Winkler.

Bill No. 55, for the relief of Costanza Marzitelli Boisvert.—Mr. Winkler.

Bill No. 56, for the relief of Gladys Emily Miller Young.—Mr. Winkler.

Bill No. 57, for the relief of Francoise Ernout Fisher.—Mr. Winkler.

Bill No. 58, for the relief of Margaret Girvan Hill.—Mr. Winkler.

Bill No. 59, for the relief of Fernand Ratelle.—Mr. Winkler.

Bill No. 60, for the relief of Charles Meela Voyinovitch Seifert.—Mr. Winkler.

Bill No. 61, for the relief of Lily Isenberg Kwavnick.—Mr. Winkler.

Bill No. 62, for the relief of Doreen Mae Walmough dit Watmough Colson.—Mr. Winkler.

Bill No. 63, for the relief of Robert Gordon.—Mr. Winkler.

Bill No. 64, for the relief of Helen Isabelle Hammond Dadson.—Mr. Winkler.

Bill No. 65, for the relief of Harold Gordon McFarlane.—Mr. Winkler.

Bill No. 66, for the relief of Dezso Ferenc Cross.—Mr. Winkler.

Bill No. 67, for the relief of Eric Ernest Auclair.—Mr. Winkler.

Private Bills

Bill No. 68, for the relief of Napoleon Jean-Paul Chayer.—Mr. Winkler.

Bill No. 69, for the relief of Marie Josephte Gilberte Belanger Byrne.—Mr. Winkler.

Bill No. 70, for the relief of Nina Difiore Statner.—Mr. Winkler.

Bill No. 71, for the relief of Tillie Tietlebaum Victor.—Mr. Winkler.

Bill No. 72, for the relief of Elina Iacurto Floyd.—Mr. Winkler.

Bill No. 73, for the relief of Jennie Miller Solomon.—Mr. Winkler.

Bill No. 74, for the relief of Elia Kuczerian.—Mr. Winkler.

Bill No. 75, for the relief of Ruth Audrey Lorraine Beauchamp Laderoute.—Mr. Winkler.

Bill No. 76, for the relief of Phyllis Newman Lunan.—Mr. Winkler.

Bill No. 77, for the relief of Helen Doreen Cave Crawshaw.—Mr. Winkler.

Bill No. 78, for the relief of Armand Frenette.—Mr. Winkler.

Bill No. 79, for the relief of Florence Brown Boyaner.—Mr. Winkler.

Bill No. 80, for the relief of Eileen Mercedes Hudson Walsh.—Mr. Winkler.

Bill No. 81, for the relief of Madeleine McCartney Ratcliff.—Mr. Winkler.

Bill No. 82, for the relief of Kathleen Mary Wilkinson Paraskiewicz.—Mr. Winkler.

Bill No. 83, for the relief of Georges Chaput.—Mr. Winkler.

Bill No. 84, for the relief of Florence Anna Carsh Laing.—Mr. Winkler.

Bill No. 85, for the relief of Beatrice Miriam Kert Beloff.—Mr. Winkler.

Bill No. 86, for the relief of John Alexander Stronach.—Mr. Winkler.

Bill No. 87, for the relief of Raymond Gelinas.—Mr. Winkler.

Bill No. 88, for the relief of Anna Madeline Patterson Cotter.—Mr. Winkler.

Bill No. 89, for the relief of Claudia Marie Boudreau Leblanc.—Mr. Winkler.

Bill No. 90, for the relief of Lily Belzberg Bigman.—Mr. Winkler.

Bill No. 91, for the relief of Joseph Arthur Lesage.—Mr. Winkler.

Bill No. 92, for the relief of Minnie Gruhn Boon.—Mr. Winkler.

Bill No. 94, for the relief of Jane Louttit Dormer.—Mr. Winkler.

Bill No. 95, for the relief of Roger Loiselle.—Mr. Winkler.

Bill No. 96, for the relief of William Oscar Gilbert.—Mr. Winkler.

Bill No. 97, for the relief of George Magner.—Mr. Winkler.

[Mr. Deputy Speaker.]

Bill No. 98, for the relief of Teodora Szablity Szentirmai.—Mr. Winkler.

Bill No. 99, for the relief of Arthur Piche.—Mr. Winkler.

The Chairman: Shall the bills carry?

Mr. Knowles: Before you put that motion, may I just say a word? It is not my intention to do what I have done on some of these occasions with respect to these bills, namely to require of the house patient attention to and consideration of each of them. But I do feel that the house should at least be conscious of what it is doing. We are now being asked, by the terms of the motion which has just been called, to agree to clause 1 of 74 different divorce bills at one and the same moment. Surely the continuation of this process underlines it as something that this parliament should not be doing.

Sections 1 and 2 agreed to.

Preambles agreed to.

Titles agreed to.

Bills reported, read the third time and passed.

REPRESENTATION ACT

AMENDMENT TO CHANGE THE NAME OF CONSTITUENCY TO SWIFT CURRENT-MAPLE CREEK

Mr. Irvin Studer (Maple Creek) moved the second reading of Bill No. 101, to amend the Representation Act, 1952.

Mr. Knowles: Is anyone going to speak to this bill on behalf of the government?

Hon. W. E. Harris (Minister of Citizenship and Immigration): I shall gladly do so, and say that because of the excellent presentation of the hon. member for Maple Creek the government has no objection to the bill.

Mr. Stanley Knowles (Winnipeg North Centre): I am very interested in the comment which has just been made by the Minister of Citizenship and Immigration (Mr. Harris). I may say that we, too, have no objection to the bill or to the idea that the name of Maple Creek be continued along with that of Swift Current for that very large constituency in the southwest corner of Saskatchewan. It does seem to me, however, that it should be noted that it is something of a precedent for the Representation Act to be amended in between the redistributions that take place once every ten years.

In view of the fact that the government has agreed with the excellent representations, as the minister called them, made the other day by the member for Maple Creek

(Mr. Studer), I hope the government attitude will be the same if similarly excellent representations are made for any other changes in the same Representation Act. I realize that if one were to suggest changes of any great substance, the moving of boundaries or anything like that, the Minister of Citizenship and Immigration (Mr. Harris) would say that was a different matter, and he would be correct.

There is one point I should like to call to his attention now, and I do so very briefly. I hope he may indicate some day, not necessarily now, whether the same receptive mood would be forthcoming toward it. It so happens that the line drawn between the constituency I have the honour to represent, and the constituency of my colleague the member for Winnipeg North (Mr. Stewart), goes straight through an institution—

Mr. Speaker: Order. I just wonder whether, during the discussion of this bill, one can permit a discussion of the boundaries of various constituencies. I think that is going perhaps beyond the principle in this bill. Unless the house wants to have a general discussion—

Some hon. Members: No, no.

Mr. Speaker: —I believe the discussion should be strictly relevant to the present bill.

Mr. Knowles: I dared to hope, Mr. Speaker, that since it was an act to amend the Representation Act, some minor points of this nature might be mentioned. I shall not trespass on the ruling Your Honour has just given. I simply repeat what I said a moment ago, that I hope the precedent that has been established by permitting the act to be amended when the representations are excellent will be remembered if some of the rest of us make similarly excellent representations for minor changes.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Sections 1 to 3 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

Mr. Studer moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Private Bills

DIVORCE JURISDICTION

EXCHEQUER COURT TO HAVE JURISDICTION IN ACTIONS ORIGINATING IN QUEBEC AND NEWFOUNDLAND

The house resumed, from Friday, January 16, consideration of the motion of Mr. Knowles for the second reading of Bill No. 3, to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce.

Mr. Speaker: Is the house ready for the question? I understand that this is an adjourned debate. Those in favour of the motion will please say yea?

Some hon. Members: Yea.

Mr. Speaker: Those opposed will say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

I declare the motion lost.

BRITISH NORTH AMERICA ACT

AMENDMENT TO INCREASE QUORUM OF HOUSE OF COMMONS

The house resumed, from Tuesday, January 20, consideration of the motion of Mr. Knowles for the second reading of Bill No. 18, to amend the British North America Acts, 1867 to 1952, with respect to the quorum of the House of Commons.

Hon. W. E. Harris (Minister of Citizenship and Immigration): If I may take part in the adjourned debate, I should like to move that the subject matter of this bill be referred to the select committee on procedure which was set up yesterday, I believe.

Mr. Stanley Knowles (Winnipeg North Centre): As I indicated the other day when the Minister of Citizenship and Immigration (Mr. Harris) suggested this procedure would be followed, it is acceptable. Naturally, anyone bringing in a bill hopes he may have success such as the member for Maple Creek (Mr. Studer) had a moment ago. If the government does not feel that it can accept the measure without further study, certainly it is highly desirable that it should be studied. I think it is a step in the right direction that the subject matter be referred to the committee over which Your Honour will preside. I dare to hope that, as a member of that committee, I shall be able to persuade the other members of the committee that it is desirable to recommend back to this house that this bill

again be put on the order paper and be given second reading and final approval at a later date in the session.

Mr. Speaker: Is it the pleasure of the house to adopt the amendment to refer the subject matter to the committee referred to by the Minister of Citizenship and Immigration (Mr. Harris).

Some hon. Members: Agreed.

Motion (Mr. Harris) agreed to.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-1948—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

The house resumed, from Tuesday, January 20, consideration of the motion of Mr. Knowles for the second reading of Bill No. 2, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, toward the end of my remarks last Tuesday I had occasion to refer to the debate which took place on the same subject during the session of 1951. I then quoted a question I had put to the hon. member for Vancouver East (Mr. MacInnis) during the course of his remarks, and I commented on the reply which he gave on that occasion. Since then I have had occasion to check on the debate of that day; and in order to keep the record clear I should like first to refer to the same debate and to quote a word or two of what I had to say and the reply which the hon. member who is moving his amendment made to a question of mine on that occasion. This is to be found at page 768 of *Hansard* of February 28, 1951:

> I am sure that my hon. friend would not be satisfied, even if we were to pass this bill providing for the voluntary revocable check-off. I am sure that it would not be long before he would come to the house again and ask for another amendment calling for a greater measure of union security. Do I understand that my hon. friend agrees with what I say?
>
> Mr. Knowles: Yes.
>
> Mr. Cote (Verdun-La Salle): Thank you. If that is so, by adopting this amendment we are engaging the state in a field of activity which belongs to labour and management, and we would be restricting more and more as we went along the area of free collective bargaining between labour and management.

After I concluded my remarks my colleague, now the Minister of Fisheries (Mr. Sinclair), made a contribution, and he was followed by the hon. member for Vancouver East who had this to say as reported at page 772 of *Hansard* of 1951:

> Then the parliamentary assistant went on to say that he was opposed to it because if the house approved this amendment today the hon. member for Winnipeg North Centre would be back next year asking for something else. Well, surely that is what parliament is for. Surely even if we pass this amendment today the act will not be perfect, and someone like the hon. member for Winnipeg North Centre will note that we have not yet attained perfection and will come forward here, where such matters should be brought up, and propose other amendments that will make the act more nearly perfect.
>
> Mr. Cote (Verdun-La Salle): Where will it end if you accept that principle?
>
> Mr. MacInnis: It will never end as long as there is a human wrong to be corrected, as long as the weak person or the weak organization needs protection from the strong.

In order to show the relevancy of my comments on these quotations which I have just made, I wish to make clear that at that time we were discussing matters relating to the field of collective bargaining between labour and management. Of course, in the act which this bill attempts to amend prohibitions have been enacted; duties and privileges have been determined for both sides, that of management and that of labour. But in opposing the bill before the house my thesis is precisely that in the act parliament has kept away from a field which has always been the exclusive privilege of management and labour, namely that of collective bargaining. Since matters of check-off and matters of union security generally have, by tradition, been reserved as matters appropriate for collective bargaining I contended, as I still contend, that parliament should not interfere.

If parliament enacts the bill which we are now considering, we will be setting a precedent of interference by parliament in the field of collective bargaining. The precedent having been set, there is no reason why, on other occasions in years to come, parliament should not be called upon to entertain other amendments which would bring the state further and further on in that field of collective bargaining. If I am mistaken I would ask the hon. member for Vancouver East to correct me, but I think in the light of the discussion which took place on this same subject in 1951, what divides the trend of thought of the sponsor of this bill and his group from the one which I entertain is a matter of procedure.

The two groups, those favouring the passing of this bill and those opposing it, are anxious to see the trade unions of this country gain strength, prestige and influence throughout the years to come. Rightly or wrongly—and there are differences of opinion—this question of check-off is considered as a procedure for the collecting of union dues which tends to strengthen the position of a union in a plant.

I agree with the principle of the check-off of union dues, as do those who are sponsoring the bill. What differentiates the two attitudes in this matter is that we on this side of the house feel that it is a matter which should be left to labour and management to discuss and negotiate between themselves, while my friends opposite claim at this time that this is a matter that should be enforced by statutory action.

In the past my hon. friends opposite had a stronger argument in support of their contention on this particular matter, when they referred to the situation in the Canadian railways and deplored the attitude of the railway companies, who had opposed the acceptance of any measure of check-off. The companies seemed strongly determined not to change their attitude. As a matter of fact the hon. member for Winnipeg North Centre did refer to the brief which the railway association had circulated among the membership of this house and outside of this house at the time the companies raised several objections to any legislation in the nature of the bill which is now being considered.

If I may, I should like to emphasize that their main objections were the following: The first was that the introduction as a statutory obligation upon all employers of what is essentially a matter of bargaining is fundamentally unsound. Their second objection was that the extent of the burden of the enforced check-off upon separate industries will vary greatly, and that it will be very serious upon some of them, for instance, on the major railway companies. Their third objection was that the major railway companies deal with 27 different organizations representing over 150,000 employees, and from any or all of such organizations requests for check-offs might be received. The fourth objection was that these railway companies have employees throughout the country from coast to coast, many of whom are located at isolated points, but of necessity the accounting and payroll procedures are centralized at relatively few points, substantially distant from many of the places of employment. Another objection was that this centralized accounting procedure of necessity requires the handling of a large volume of work in a limited period of time, and there is a period of only two weeks from the close of a pay period until pay cheques must be available for delivery to the employees, including all the time the payrolls and pay cheques are in transit and the time involved in connection with auditing payrolls and preparing pay cheques. And finally they objected on the basis that there are differences in the amounts of the dues collected by the various unions. In some cases, the union dues payable are dependent upon minimum monthly earnings.

I do not intend to speak at any great length on the recent agreement which was concluded between the brotherhoods representing the non-operating trades of the railway companies last December 19, especially in view of the fact that there is at the present time a situation which we all hope will be terminated as quickly as possible, before any threat of a strike is implemented.

Nevertheless I wish to refer to the agreement which was concluded on December 19 in order to show that through negotiation, and in spite of the seven or eight serious objections which the railway companies had interposed throughout the years in their negotiations with labour organizations in order to avoid any bargaining or any conclusion of an agreement on the matter of the check-off, in spite of all that there was included in the agreement of last December, to which I have referred, a provision for the check-off of union dues, which my hon. friend who introduced this bill has read *in extenso,* and which I should also like to quote. It is found on page 43 of the report of the conciliation board, and reads as follows:

> With regard to the check-off, the board is of opinion that, as every employee now has the same right as any other creditor to assign the whole or any part of any debt, present or future owing to him, the proposed clause is one that should properly form part of the new agreements.

As a matter of fact, in the language in which this recommendation was set out in the agreement I can say, and my hon. friend recognizes it, I think, that the provision goes beyond the provision of the bill we are now considering.

If through the usual bargaining process the brotherhoods or organized labour generally have succeeded in concluding an agreement on a matter such as the check-off, which was subject to such strong irreductible opposition on the part of management in years gone by, I cannot see that today the bill now before us can be supported even to the extent to which it received support in the last few years. I do not claim, and I have never contended in the past, that at no time in the future would it not be possible to consider the propriety of any measure such as the one submitted by the hon. member for Winnipeg North Centre, but I claim that any such measure should not be introduced in this house before prior consultation with management and labour organizations in this country, and without securing their approval on the basic principle of this or any like measure.

At the time the late Humphrey Mitchell introduced the Industrial Relations and Disputes Investigation Act, either in the house or in committee he expressed the view to the hon. member for Vancouver East or the hon. member for Cape Breton South (Mr. Gillis) that it would be premature and perhaps not right to attempt to revise or to alter the basic principles of the act until some experience had been gained of its workings. To a direct question he replied that in his estimation that period should be at least five years. The act came into force in September, 1948, and that five-year period will be up next fall.

The information I have is that the act is functioning well, and that the Canada labour relations board has been gathering important and useful jurisprudence on matters of certification of unions and so on. I should think that the material obtained from the administration of the act, the experience gained by officers of the department, by leaders of trade unions and of management organizations would be such that we might consider at the next session of this parliament, or at the conclusion of the five-year period I have mentioned, examining the old act in the light of that experience. I think that would be a proper procedure to follow. I do not think it would be wise to attempt to amend an important act such as this piecemeal. We are being asked through this bill sponsored by the hon. member for Winnipeg North Centre to do away with one of the basic principles of the act, the absolute freedom of collective bargaining to which management and labour are committed.

Mr. Browne (St. John's West): Could the parliamentary assistant tell us just how many people would be affected by the provisions of this bill, and what different occupations are involved?

Mr. Cote (Verdun-La Salle): The agreement signed on December 19 between the railway companies and the non-operating trades covered between 125,000 and 150,000 men, if I am not mistaken. Negotiations are going on between the railroad trainmen, totalling some 22,000, and the two companies. As far as the two railway companies are concerned, I think there would be a coverage of some 200,000 employees.

This bill would not apply to agreements in force which contain provision for a check-off such as the one concluded last December 19. In addition to railway employees I would imagine there would be close to 400,000 other employees across the country. My information has been that the ratio of railway employees to all employees, with the exception of civil servants, is one to three.

[Mr. Cote (Verdun-La Salle).]

Mr. Speaker: The hon. member is beginning to deal with another branch of the question that was raised and I would inform him that his time has expired.

Some hon. Members: Go on.

Mr. Cote (Verdun-La Salle): I should like to ask a question of the hon. member for Vancouver East. I ask him in all sincerity whether he would not approve of the suggestion that we should not try to amend this act piecemeal, but should take advantage of the first opportunity to examine the act and revise it if necessary, following the same procedure followed when the act was first introduced. Would that not be the best way to attempt to bring about a betterment of the act?

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I shall answer the question asked by the parliamentary assistant before I go on to say what I intended to say on the second reading of this bill. If the idea he is proposing is accepted, that acts should not be amended before a certain period of time has elapsed, then no act would be amended except when the government—it would have to be the government—believed that a complete revision should take place. I do not accede to that theory at all. I believe this house—that is what we are here for—should amend legislation whenever we believe it would be in the public interest.

There is another reason why this particular amendment should not be considered as a fundamental change in the act. The amendment proposed in the bill sponsored by the hon. member for Winnipeg North Centre (Mr. Knowles) was approved when the committee on industrial relations was considering the bill before it became law. When the bill came into this house a motion was moved to rescind or delete the decision of the committee, and that was carried in the house. Therefore we are not asking for something that has not been before the industrial relations committee, or that has not been approved by the committee of 1948. However, I am grateful and encouraged by the speech which the parliamentary assistant made today. He has softened up considerably in the last few years and now, if I am not misinterpreting what he said, he has admitted that this amendment, if carried, would not have associated with it the dire consequences that he mentioned when we were discussing a similar bill in the session of 1951, I believe. In the parliamentary assistant's remarks on January 20 he referred to what I was supposed to have said when a similar bill was under discussion, and I

have had this drawn to my attention. Let me read what he said, as found at page 1170 of *Hansard:*

> . . . when the hon. member for Vancouver East was discussing a similar bill, I asked him if the bill were passed whether he and his party would be satisfied to leave it at that, and give a guarantee that it would not be considered as a precedent; that they would not come here year after year asking for more and more interference by parliament in matters of collective bargaining. He said, "No, that is not the end; that is just the beginning." I can vouch for his reply on that occasion. So, that means a policy of opening the door wider and wider as the years go by, and some day bringing parliament to a position of dictating by statute what the wages, hours of work and conditions of work will be in any plant or industry coming under the jurisdiction of parliament.

That is putting an extremely wide interpretation on what I said on that occasion. I should like to say that if the occasion arises when parliament attempts to pass legislation that would bring about what the parliamentary assistant said would happen if this amendment were carried, I have not the slightest doubt in the world that if I am here I will be a stronger opponent of that action than he will. But he is not afraid of that any more. If after the end of this year, when the act will have been in operation for five years, the industrial relations committee should meet, as recommended by the late minister of labour, and recommend this change, my impression is that the parliamentary assistant would favour it. That is progress, as I see it.

May I call the attention of the parliamentary assistant to the fact that almost the first provision in the Industrial Relations and Disputes Investigation Act dictates to workers and employers what they must do. It tells them that they must meet together and bargain together in good faith. That is something I am sure the parliamentary assistant would have strenuously objected to ten or fifteen years ago, if he had been in the house and such a proposal had been made. That step having been taken, other steps just as far-reaching have also been taken in the short time the act has been in effect. Let us see what the bill does. The amendment reads as follows:

> Upon request of a trade union entitled to bargain collectively under this act on behalf of a unit of employees and upon receipt of a request in writing signed by any employee in such unit, the employer of such employee shall, until the employee in writing withdraws such request, periodically deduct, and pay out of the wages due to such employee to the person designated by the trade union to receive the same, the union dues of such employee; and the employer shall furnish to such trade union the names of the employees who have given and withdrawn such authority.

I do not agree that parliament would be dictating to either employer or employee if this amendment were passed. As a matter of fact parliament would not be going any further than conciliation and arbitration boards have already gone in this direction. I think it was pointed out by the parliamentary assistant that the check-off was made part of the recent agreement reached between the railway companies and the non-operating employees. The hon. member for Winnipeg North Centre (Mr. Knowles) quoted the relevant paragraph in the board's findings when he spoke on January 13. It is very short and I will read it again. It is found at page 953 of *Hansard* and reads as follows:

> With regard to the check-off, the board is of opinion that, as every employee now has the same right as any other creditor to assign the whole or any part of any debt, present or future owing to him, the proposed clause is one that should properly form part of the new agreements.

We are not asking for any more in this amendment than is implicitly stated in the provision contained in the new agreements affecting the railways. Since we have had the so-called Rand formula in effect a principle has been developed the suggestion of which only a few years ago would have been considered outrageous, namely that all employees of an organization or industry covered by an agreement, whether or not they are members of the trade union, must pay trade union dues. The principle there is quite sound. The union provides advantages to the employees covered by the agreement, to those who are not members of the union as well as to those who are; but when such a provision does not apply, namely that non-union employees must pay union dues, non-union employees get the advantages without any expense whatever on their part. As a matter of fact it has been recognized that these non-union employees are spongers, and such a condition should not be tolerated in a properly organized democratic society.

I do not wish to take up any more time of the house debating this matter. It was covered so well in the speech made by the hon. member for Winnipeg North Centre when introducing the bill that there was really no need for me to say anything, but I rose because of the reference made by the parliamentary assistant to remarks that had been made on a similar bill some sessions ago, and also because of the question he put to me as he was concluding his speech. I am taking no exception to what he said when the bill was last under discussion. In regard to my remarks I am quite sure that he had no intention of misrepresenting me in any way whatsoever. I am quite sure he is not that kind of person, and I am satisfied to leave the matter there.

Mr. Fournier (Hull): Mr. Speaker, my colleague the Minister of Labour (Mr. Gregg) told me that he wished to speak on this bill but he is out of town—

Mr. Cote (Verdun-La Salle): I wonder if the hon. member who has just taken his seat would let me give my reply, very shortly, to two or three questions which he has raised while commenting on my remarks in this debate.

Mr. MacInnis: It is up to Mr. Speaker.

Mr. Speaker: I shall leave it to the house.

Some hon. Members: Agreed.

Mr. Cote (Verdun-La Salle): I think these are three important questions, and I would like to put my answer on *Hansard* immediately. I thank the house for the privilege of doing so.

First, the hon. member has extended the meaning of my contention that we should rather favour revision of the act by the same procedure that was followed when it was introduced, than bring amendments piecemeal. The hon. member said that we do carry amending bills regularly in this house and it would not be a good move to have a bill amending an existing statute opposed with the suggestion that the whole act should be revised in each instance. I suggest that the Industrial Relations and Disputes Investigation Act is not an ordinary act. It is one which deals with human relations and, precisely on account of that, there are basic principles which should not be changed piecemeal. There was a specific purpose in laying down the basic principles of this important act, and in submitting them for approval by organizations of labour and management and by the members of this house, through a committee. The act should not be altered in any of its basic features without the whole act being considered through the same process.

In the second place, the hon. member says that at the very beginning of the act there is a provision making it compulsory for labour and management to negotiate. He says that we already have that compulsory feature at the very beginning of the act. Yes, labour and management are obliged to get together and bargain in good faith; but the act does not say in any way what the bargain shall be. I say to my hon. friend that this bill would be one that would tell the parties what they must include in their agreements as far as union security is concerned, namely the voluntary revocable check-off of union dues.

I know the minister would like to participate in the debate, but I do not think it is necessary for me or anyone else to move the adjournment this afternoon, because I know some other members would like to express views on this bill.

Mr. Knowles: You couldn't anyway.

Mr. J. H. Dickey (Halifax): As I have taken part in the debates on similar bills in previcus sessions, I would like also to take part again this afternoon.

First of all, may I say to the hon. member for Vancouver East (Mr. MacInnis) that I can assure him that members on all sides of the house are very pleased to see him back in his place and taking part in the proceedings and debates in this house with his old vigour and effective approach.

Some hon. Members: Hear, hear.

Mr. Dickey: As I say, Mr. Speaker, the subject matter here has been before the house on previous occasions and the hon. member is certainly persistent in bringing the proposal before parliament. Perhaps we can be forgiven if we show equal persistence in speaking on this measure and expressing the views we hold with regard to it, which are contrary to his own.

My particular concern in so far as the subject matter of the bill is concerned has been the position of the employees of our two great railway systems. It has always appeared to me that their position has been one of the more important factors in considering the provisions of our labour code and the suggested amendment contained in this bill. I am not going to put on record any quotations which indicate the stand I have taken in the past but I would like to say that, in addition to expressing my views in the house here, I have felt that it is the duty of members of parliament to discuss questions of this kind with their constituents to determine what their views are and whether or not they have any suggestions about how these questions can be approached and dealt with.

For that reason I have discussed on a number of occasions the exact subject matter of this bill with friends of mine in the membership of railway unions in my constituency of Halifax. I have found that some of them agreed with the general position that I have taken in the matter, and some of them did not agree. My position, as far as they were concerned, was to urge that, if they wished to have a check-off, they should present those wishes to the companies in the course of their regular collective bargaining, with the objective of attempting to secure the kind of check-off they wished through that process. I have also taken the opportunity of expressing my

views to one of the railway companies about what they should do; that they should consider this question as a matter of collective bargaining and not expect parliament to deal with it as a matter of legislation.

Some hon. Members: Six o'clock.

On motion of Mr. Dickey the debate was adjourned.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE

The house resumed consideration of the motion of Mr. Garson for the second reading of Bill No. 93, respecting the criminal law.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we readily approve of the suggestion which has been made by the Minister of Justice (Mr. Garson), that after this bill has been given second reading it should be referred to a special committee, so that that committee, on behalf of the house, might make a very thorough study of all its provisions. We are aware of the fact that a great deal of study has already gone into the preparation of this bill. We realize that there was considerable work and study before the bill was ever introduced. It is also a fact that the members of the Senate gave a great deal of thorough study to the provisions of this bill, and that as a result of that study quite a number of changes were made. Those changes are incorporated in the bill in the form in which it is now before this house.

Nevertheless, we feel that it should not be contended that because of all the prior studies by the commission, by the officers of the department and by the members of the Senate, this should curtail to any degree whatsoever our examination of the provisions of this legislation. After all, the members of this House of Commons are the elected representatives of the people of Canada. It is we who are most responsible for legislation that goes on the statute books, and I strongly urge that the committee which is set up to study this bill be given plenty of time, all the assistance it needs and all possible encouragement to do a really thorough job on this revision of the Criminal Code. I hope, too, that that committee will be given the usual powers to send for persons, papers and records; and that it will use that power to extend invitations to interested bodies and organizations that may wish to appear before the committee to make representations. I want to say that, in our view, we cannot be too careful in discharging our responsibility as the elected representatives in this parliament with respect to this very important piece of legislation.

It is true, of course, that in many sections of this bill we have simply a consolidation, codification or carrying forward in slightly different language of the provisions or principles that have been in the criminal law of Canada for a long time. As a matter of fact the Minister of Justice this afternoon suggested that the desire in revising the Criminal Code was not to effect changes in broad principles, and in many sections of the bill that idea has been kept in mind. However, despite the fact that that desire was laid down by the minister as a guide, it does seem to us that there are a number of instances where very definite changes have been made in this legislation, both as to principle and with respect to the severity of punishment that is prescribed for certain offences. I shall, in developing my remarks, refer to some of the instances where it seems to us new law is being written in this code. I mention it now simply to support the plea I make that there be no attempt to rush this committee, but that it be given a chance to do a thorough job on this very important piece of legislation.

With respect to the principle of the bill, the subject matter of the legislation itself, we feel that there are certain shortcomings. I need not take time to speak of the advantages of revising the code, and all the good things which are in it which are being carried forward. Those can be taken for granted. It is our job, particularly on the opposition side of the house but also we feel it is the job of all members, to be concerned where we feel there are errors or shortcomings in legislation of this kind. I shall point to a number.

In the first place, we are dissatisfied that the legislation contains no clear statement as to the purpose of the punishment of criminals. I draw attention in particular to what, in my view, was the very excellent brief on the revision of the Criminal Code which was presented to the minister on June 8, 1950, by the Canadian Welfare Council. The point I have just now suggested is made very effectively as the first point in that brief. To put it in the language of the Canadian Welfare Council, I would quote from page 2 of the brief where they say:

> This committee recommends inclusion in the Criminal Code of a statement of the purpose of criminal punishment emphasizing that the aim is the protection of society through the reform of the individual.

The Canadian Welfare Council gives certain instances where the purposes of similar legislation have been indicated in the legislation itself, and in my view the government has not paid sufficient attention to that part of the brief submitted to it by the Canadian Welfare Council.

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

Mr. Knowles: Yes.

Mr. Macdonnell (Greenwood): Did I understand the hon. member to say that he would give illustrations where the aim of the legislation was contained in the statute?

Mr. Knowles: Right on the next page of the brief I hold in my hand the Canadian Welfare Council states this:

> Such a guide is provided in similar legislation. Section 38 of the Juvenile Delinquents Act, 1929, states:

There is a paragraph from that act, and perhaps I should put it on the record.

> This act shall be liberally construed to the end that its purpose may be carried out, to wit: That the care and custody and discipline of a juvenile delinquent shall approximate as nearly as may be that which should be given by its parents, and that as far as practicable every juvenile delinquent shall be treated, not as a criminal, but as a misdirected and misguided child, and one needing aid, encouragement, help and assistance.

I am not suggesting that in the Criminal Code for adults the purpose would be exactly the same as that; but I am suggesting that if in that legislation it is possible to state its purpose, it should be possible to do it in this legislation.

As has often been said by the hon. member who has just interrupted, because of his own great personal interest in the whole question of penal reform, we have made great progress in our thinking as to crime, and its punishment, and the reform of criminals. I agree with the representations made by the Canadian Welfare Council that this progress in our thinking with respect to crime, its punishment and the reform of criminals should be reflected in the legislation when we are rewriting the Criminal Code.

Mr. Fulton: Will the hon. member permit a suggestion as to what the title might be?

Mr. Knowles: Yes.

Mr. Fulton: I suggest that the title should be "An act for the prevention and punishment of crime." That is what it is concerned with.

Mr. Knowles: I think the suggestion is one that deserves consideration, and I am glad to have these interjections by my two hon. friends. I hope these interjections will suggest to the minister that maybe this point which they are supporting, and which the Canadian Welfare Council urged upon this government, should be given more consideration than it appears to have been given thus far.

A second shortcoming or complaint that it was my intention to develop a bit with respect to this legislation was given to the house this afternoon by the hon. member for Kamloops (Mr. Fulton). I fully agree with the position he took, so I shall not take time more than just to state it. He quoted certain authorities in support of his position—and my legal advice is the same—that the legislation seems to have been drafted from the viewpoint of the prosecution, its aim apparently being to make it easier to secure convictions. That aim, Mr. Speaker, is obviously inconsistent with the modern philosophy of the treatment of crime, to which I have referred in quoting from the Canadian Welfare Council. We feel that here too there is a shortcoming, and I hope this aspect will be gone into thoroughly by the special committee which deals with this legislation.

At the expense of being repetitious, I repeat my plea that the committee not be rushed, that it not be told by whoever is its chairman that this bill has all been gone over by the commissioners, by the officers of the department and by Their Honours in the other place and therefore it should be put through in a hurry. By doing that we would not be discharging our responsibilities as elected members of parliament.

A third aspect of this legislation which it seems to us should be looked into carefully is the way in which a number of the punishments provided have been considerably increased in severity. Entirely apart from the question whether or not that course is consistent with modern philosophy so far as the treatment of crime is concerned, and just on the basis of older ideas, we find it hard to understand why there should be so many instances where the punishment has been increased, in some cases from several months to a number of years, in some cases from two years to fourteen years and in some cases from a few years to the possibility of life imprisonment. I need not worry the house with details; I have a number of them jotted down.

Despite the fact that this aspect may have been looked at by those who have gone over this legislation before us, we suggest that is a fairly serious change to be making in the law of this country, and that the committee should look at it carefully. There is one case—it slips my memory for the

moment but it does not matter—in which the punishment provided was increased the last time we went over the code in 1951; and now, only a year and a half or two years later, it is being increased again to quite a substantial extent. We therefore feel that that is another aspect of the code which the members of this house and of the committee which will do the main work on this legislation should look at carefully.

Then, too, as a fourth comment about this bill—and one which underlines the need for giving it careful study—I wish to mention the fact that it seems to involve a good deal of changing of established law. In view of the things I say from time to time, and will probably continue to say, about lawyers and their reliance on precedents and so on, it may seem a bit out of character for me to take the other side for a moment; but despite the shortcomings of the law, the way it has been written and the way it has been phrased, it seems to me that to make the number of changes that are being made in this legislation, without careful and thorough examination of it, would not be wise or responsible action on our part.

It may be that every one of these changes can be defended, but let us not rush into it. There is an atmosphere of fear and anxiety abroad today; and sometimes there is undue pressure, it seems to me, to try to deal with things by suddenly changing the law and making the punishment more severe. All of this is exceedingly important. I would suggest that it would be far better to take considerable time to go over this legislation with respect to its codification and its legal aspects and produce a good bill, one that is really satisfactory, rather than just to have the satisfaction the minister might like to experience of getting the legislation through and getting it on the statute books.

Mr. Carroll: May I ask the hon. gentleman a question? What was the particular crime to which he made reference, as to which a change was made in the punishment some years ago and another change is made in the present legislation?

Mr. Knowles: I believe that is in the sections dealing with treason, but I am not quite sure. If I can find my notes on that point, so my answer may be correct, I should be glad to do so.

An hon. Member: Try the other pocket.

Mr. Knowles: It is section 62 which deals with sedition. I did not have quite the right word. In 1951 the penalty was increased from two years to seven years; and by this bill it would be increased to fourteen years. At any rate, that was the example I had in mind.

Mr. Speaker, thus far I have given four reasons why we feel that this bill should be looked at carefully, and we regard each of those reasons as important. I have left to the last, the fifth of our criticisms of this bill, an aspect which is perhaps more important than any of those I have mentioned thus far. It is our feeling that in this legislation there are provisions which will have the effect of imposing greater restrictions on the rights of citizens, particularly in relation to the rights of labour and established civil liberties, than we have yet had in this country. As I launch into a few comments on this question I want to say how much I appreciated—as I think all hon. members of the house did—the way in which the hon. member for Kamloops (Mr. Fulton) approached this question this afternoon. I am sure we all agree with him that it does not matter what anyone else may have said about these questions, the rights of labour, and civil liberties; it does not matter that criticisms have been levelled against these sections in this bill by people whose motives we may not trust; surely if we think these restrictive sections are wrong, it is our right and our duty to say so, and it is our privilege to say so without any charge of association being applied against the hon. member for Kamloops or any of the others of us who may be concerned about legislation which seems to impose restrictions on the rights of citizens which are contrary to the principles of democracy.

As I said a few moments ago—and we all recognize it—there is in the atmosphere of this day and age quite an element of fear. We know whence that fear comes, and there is no point in trying to deny that it is there. Most of us can remember the days in the early part of this century when we thought freedom and democracy were on the march, and it was just a matter of time until their glory would spread and cover the entire earth. We have seen quite a reversal of that trend in the last few decades, and we live today in the fear that we might lose some of the freedoms which were won in the nineteenth century, and which were cherished by our forefathers at that time.

I think it is still true that many of us in this place regard as some of the greatest speeches of the past that we like to read the speeches that dwelt on that same theme of the freedoms that had been won and how important those freedoms are to us. We get the occasional uplift of that kind today. I was

particularly interested in a speech by Mr. Churchill not many months ago when there was a discussion in the British House of Commons with respect to free speech as it applied to a certain person in that country. Mr. Churchill stood up in true loyalty to the belief in freedom that is so characteristic of that little island, and insisted that freedom was for everybody if we believed in it at all, including the particular person who was being discussed at that time. And I insist, agreeing as I do with what Mr. Churchill said on that occasion, that we must not lose confidence in democracy's capacity to tolerate free speech.

It is not often, Mr. Speaker, that I feel it is appropriate to use the word "sacred" in application to political concepts. But when we are talking about freedoms we are talking about something that is really sacred, and in my view we must be careful not to hedge the old sacred freedoms with restrictions born of fear and capable of costing us the very freedoms we are seeking to protect.

In the light of that affirmation of faith in democracy and in the principle of freedom, I want to suggest that in our view there are some provisions in this legislation that need to be looked at very closely by the committee. My view that they should be looked at closely is I think borne out by the fact that some of them were looked at very closely by Their Honours in the other place; and in some instances they made changes which in my view definitely improved the legislation. In this instance I take my hat off to Their Honours, at whom I sometimes make cracks.

Despite the improvements they have made, there are still sections of the bill which we feel should be looked at very carefully. There is a provision dealing with prohibited acts, to which the Minister of Justice (Mr. Garson) referred this afternoon when he pointed out that a clause which formerly was in the section under treason, where it was punishable by death, had been moved down into a section headed: "Prohibited acts" where the punishment would be less severe. I was glad that he was able to point out that that change had been made; but I would point out that in that section, even in the new place where it has been put, there still appears the word "likely", where it seems to me you ought to put words to indicate the quality of intent. We cannot discuss the details of sections of the bill on this occasion, but perhaps I may be permitted to go as far as the Minister of Justice went and say that what we do not like about that section under prohibited acts is that the wording suggests that there are certain things which are liable to punishment if they are likely—with emphasis on the word "likely"—to be prejudicial to the safety of Canada. We feel that is a place where the word "likely" should be taken out and some other word put in that would convey the quality of intent to be prejudicial to the safety of Canada.

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

Mr. Knowles: Yes.

Mr. Garson: Will he not agree that its inclusion in the section dealing with treason in itself would require the proof of mens rea?

An hon. Member: Explain.

Mr. Knowles: I am not perplexed by the minister's use of Latin; I am perplexed by his suggestion that if it were in the section on treason it would make a difference. It has been taken out of the section on treason, has it not, and put in section 50 rather than in section 46 where it was before?

Mr. Garson: I understood my hon. friend was complaining about it having been put in the section on treason in the first place. At least when it is in the section on treason it is necessary to prove intent, and if my hon. friend says that is what he wants, I would point out that is what he had at the beginning.

Mr. Knowles: Mr. Speaker, this is one of the things we can go into in committee. Perhaps we are misunderstanding each other, or it could readily be that I am lacking in legal training, but my point was that it has been taken out of—

Mr. Riley: What an admission!

Mr. Knowles: Everyone says it is obvious, and everyone knows it. But this subsection has been taken out of section 46 and put in section 50. One of the points we should go into is the question as to what happened to this very point in the Senate committee. I have no doubt that the argument made by the Minister of Justice was made over there, and I have no doubt that the argument I am making was made over there, even if in more legalistic terms.

Mr. Riley: You are circling now.

Mr. Knowles: No, I am trying to convince my hon. friend that we have a point here that has to be gone into by our committee without our being told that this has been dealt with before by the commission or by the Senate. I have looked at it pretty carefully; I have some friends who are lawyers; I have discussed the matter with them, and

at this moment I am persuaded that the quality of the intent should be included in that section.

Similarly, Mr. Speaker, there is a section that happens to be numbered 52—but we are not supposed to refer to sections—dealing with sabotage. It was section 49 of the bill when it was first introduced into the other place. This is a section which it seems to us could be used as an anti-strike weapon. The minister shakes his head. The minister may be right, but there are a lot of people who do not agree with him. There are many people who feel that this could be used as an anti-strike weapon. We know the minister will say here again that such actions as interference with the movement of vehicles and so on would have to be prejudicial to the safety and interest of Canada before it could be brought under the terms of this section. But the point I wish to make is again parallel to a point that was made at the other end of this building; that is, that the word "interests" still appears there. That section, by the way, was improved in the other place. They put in the quality of intent but they left in the word "interests". The safety of Canada is something that we can all understand and there is no quarrel with that part of the section; but as one of Their Honours in the other place pointed out in relation to another section, when you talk about the interests of Canada you bring in things of an economic nature. In my view there is real danger of this being an anti-strike weapon. We feel that this section, formerly section 49 but now section 52, is one that must be looked at most carefully. I hope there will be complete freedom and abundant liberty for the labour organizations of this country to appear if they wish to do so, and I know they do, before the committee to state their views with respect to this section.

Similarly, I believe labour would like to appear before the committee and have something to say about the breach of contract provisions in section 365. Here again I anticipate that the minister will probably shake his head from right to left, but there is a feeling on the part of labour that this may be an anti-strike provision despite the fact that we have other legislation which recognizes the strike weapon under certain conditions. I suggest that there is something new in this section 365, despite the minister's statement earlier today that there was no desire to effect changes in broad principle.

In so far as you can relate this to other provisions in the code, there has been a considerable increase in the penalty involved. If you make more stringent provisions of that kind and increase the penalties, I suggest that you put into the hands of those who are hostile to labour—and we may as well admit that there are such still in the country—a weapon that they can use to the detriment of organized labour in particular.

Mr. Macdonnell (Greenwood): Mr. Speaker, on a point of order, I probably shall not have another opportunity to question the hon. member for Winnipeg North Centre, but is he entitled to discuss all these sections in detail at this time?

Mr. Knowles: The point of order is well taken. The only trouble is that it should have been taken when the Minister of Justice was speaking this afternoon.

Mr. Speaker: If the point of order is well taken it will not be necessary for me to make a ruling.

Mr. Knowles: As I said myself before I started referring to the sections, I shall just refer to the provisions. The Minister of Justice recognizes, and we all have recognized it in discussing this same legislation every year, that it is pretty difficult to talk about the principle of this kind of legislation without talking about the things it does.

Mr. Browne (St. John's West): Especially a code.

Mr. Knowles: As the hon. member for St. John's West says, especially when you are dealing with the Criminal Code which contains so many provisions. However, my time is just about up and the points I wanted to deal with are just about exhausted, but there is one other I should like to refer to. Another provision in this legislation deals with what is termed mischief. As a matter of fact, we think that the section itself is mischievous. It deals with obstructing the use of property. Here again we feel there is something that could be used as an anti-strike provision, which is contrary to the provisions of the Industrial Relations and Disputes Investigation Act and to court decisions which have upheld the right to strike and the right to peaceful picketing. That is section 372; and I shall not mention any more sections.

I hope I have demonstrated the main point I wanted to make, that this legislation is extremely important because it covers so many subjects. Despite the fact that it may be a good idea to bring the code up to date, to revise and codify it, there are still these aspects which make it necessary for the committee to do a thorough job on it. So far as we are concerned we are prepared to listen in committee and again in the house to all the legal arguments that can be

advanced with respect to the matters at stake. But I want to say clearly that we will urge the importance of the three or four points I spoke about in the earlier part of my remarks. Furthermore, when it comes to things that are basic, when it comes to the concept of freedom, we will oppose with all the vigour we possess any sections of the bill which in our view curtail the rights of labour or in any way impinge upon or diminish the established liberties of democracy.

Mr. Solon E. Low (Peace River): Mr. Chairman, I do not think it will be necessary at this stage to enter into any lengthy discussion of this bill respecting the criminal law, because the minister has indicated already that it is to be referred to a small committee of this house for careful study and report back to the house.

It is not my intention at this stage to enter into a discussion of the individual provisions of the bill. If I did so I would clearly be out of order, as has been admitted already by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Greenwood (Mr. Macdonnell). As a matter of fact I would feel hesitant at this stage to enter into a discussion of the specific provisions of the bill because I consider it to be foundation law, and I feel I will know more about it when the committee has finished its studies. I will be in a better position to discuss with something like authority the provisions of the bill when it is referred to the committee of the whole house. So I shall resist any temptation to discuss the individual provisions.

I find myself in thorough agreement with the principle of the bill as expressed this afternoon by the Minister of Justice (Mr. Garson). As a consequence of a study of this monumental work I have wondered whether the bill continues to adhere closely to the principle that was laid down. While it was the definite purpose of the committee which worked on it for so long to produce a simple modification of the Criminal Code rather than to change any broad principles, I am wondering if in some cases there has not been what could be called extensions of the law that may have the result of affecting seriously fundamental principles and liberties of the Canadian people. Many Canadians who have given this careful study believe that to be so.

When we come to the committee stage we ought to give the most careful consideration to the claims of these people and take plenty of time to study their claims, as against the study that has been made by the hon. members of the other place. We should make doubly certain that we do not unnecessarily abridge the rights and principles of the Canadian people. At the same time we should realize that we are living in a day when there are many people who are all too ready to abuse the privileges and liberties they enjoy. Unfortunately that is so, and I am afraid that it becomes more so the further we get from the great struggle which our fathers made to win these freedoms for us. As a consequence we simply must have law with teeth in it so we can protect the rights and liberties of all the people.

In my judgment we have to look at both sides of these cases. Let me take, for example, the case that was raised by the hon. member for Winnipeg North Centre (Mr. Knowles). When we talk of the liberties, rights and privileges of the labouring people, with which I thoroughly agree, at the same time we have to consider the rights, privileges and liberties of those people who are hirers of labour. These things must be fair. They must be just to both sides, and in our studies let us make sure that the law that is laid down extends justice to all parties in the land. I am more concerned about those things than I am about some of these other things that have been mentioned.

We think it was wise to omit most of these mandatory minimum sentences that are prescribed in the present Criminal Code. But having said that, I think it may be established—I am not going to say that it can be but it may be—that there have been altogether too many unnecessary increases in maximum penalties. I am not going to criticize at this stage because I have not yet been convinced that that is so, but that fact may be established as a consequence of our careful study.

I am going to take the same position that was taken by the hon. member for Kamloops (Mr. Fulton) this afternoon. I thought it was a good point, and I believe it would be well for all of us to approach the study of the bill to amend the Criminal Code with this thought in mind. No matter who has said what about it, we should be prepared to take a careful look at all opinions that have been expressed with regard to it, and certainly no one should have the right to call anybody else a communist or a communist sympathizer simply because he may say something that the communists have already said.

Having said that, I want to assure the minister that we are prepared to support the bill being sent to a committee, and we are prepared to accept our responsibilities in the committee to give it a thorough and competent study.

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, the minister has already stated that it is his intention to refer this matter to a committee and, as the hon. member for Peace River (Mr. Low) has just stated, I am sure there is no one here who will question the advisability of that action. However, tonight I was looking over the list of standing committees of the house, and I was rather impressed with the fact that we have no standing committee to which such legislation can be sent. I know the Minister of Justice (Mr. Garson) is a modest man who is carrying out his duties in accordance with the constitution of the country, but perhaps he does not appreciate the fact that as Attorney General of Canada and as Minister of Justice of this country, by virtue of his position and the matters with which he deals, he is actually the second man in the government of Canada.

When you look over the standing committees of the House of Commons you see that we have a committee on a restaurant, we have a committee on elections and privileges which may sit once in twenty years, and we have a committee on a library. Yet we have no committee on justice to which fundamental matters such as this may be referred. One sometimes wonders if there should not be a further amendment of the rules of the house, because today there certainly should be a standing committee to which this and kindred legislation could be sent. There was a time when the position of minister of justice in administering a few general statute laws was such that, although he had a most responsible position, it was kept within rather narrow confines. Today we see it in every phase of our lives, and I do think that when legislation such as this comes before the house we should have a standing committee to which such matters can be referred.

In the absence of that, Mr. Speaker, I do think the committee to which the bill is referred should be fairly large. We have here various members who are qualified to sit on such a committee. We have the hon. member for Winnipeg North Centre (Mr. Knowles), whose modesty prevents him from admitting that he is one of the outstanding lawyers of this house though we all recognize the legal qualities which the hon. gentleman possesses. We have in the house tonight a gentleman who for many years was one of the outstanding jurists in eastern Canada and who presided over many criminal trials with fairness and ability. I know because I appeared before him on many occasions.

Mr. Stick: In what capacity did you appear?

Mr. Nowlan: Coming from Newfoundland my friend will immediately suspect a case of politics, but that is not necessarily true of those who come from the rest of Canada. There are many lawyers in the house who I think would like to make some contribution to this committee. Perhaps their contribution would not be great but at least they would have an opportunity of expressing their views and possibly giving some of their experience. If the matter is referred to a small committee of the house, then I am afraid the minister may not save as much time as he would like in dealing with this very bulky and most important legislation, because certainly when it comes back to the house there will be many who will want to deal with it clause by clause and section by section and express their own views, which possibly would not be the case if the committee were larger. It has been whispered privately—and when I say "privately" I do so with no opprobrium —by the minister in discussions with various members of the house that the committee might be of a size which I frankly think is too small if it is to deal expeditiously with the matter and accomplish the results which he would like to see accomplished, namely a fairly detailed and comprehensive discussion in the committee. Then the house could deal with it much more expeditiously than would otherwise be the case.

So much for the general suggestion as to the reference of the measure to a committee. I simply want to reiterate what was mentioned by the hon. member for Kamloops this afternoon. There are many phases of the bill which one could question—I will not say quarrel with—if one were going to deal with them in detail. However, that is not the purpose of this debate and I do not propose to do so. But very obviously from a reading of the report of the commissioners and of the general bill there is, as was stated this afternoon, a further curtailment of the right of trial by jury if this bill is adopted in its present form.

A few moments ago the hon. member for Winnipeg North Centre referred to the rights of labour and expressed the fear that they would be curtailed. Frankly I am no more interested in the rights of labour than I am in the rights of farmers or fishermen. What I think we are concerned with are the rights of Canadian citizens, and I do suggest that any curtailment of the right of trial by jury in this day and age is a dangerous infringement upon our rights which we should scrutinize most carefully. It is true that if the rules permitted, and if one were going to deal with the sections in detail, one would probably find that the absolute jurisdiction conferred upon magistrates is only increased

in one or two cases, perhaps in cases of receiving stolen goods up to a value of $50 or something like that.

One may say, why bother about a matter such as that; but I wonder how many here have tried cases in a magistrate's court. I wonder if the Minister of Justice, who has been removed from active practice for some years, realizes the atmosphere which pertains today in provincial magistrates' courts where you perhaps have a docket of 30, 40 or 50 cases in the morning. Some of them are simple drunks. Some of them are for offences under the game act. Some of them are for offences under the motor vehicles act. Some of them are minor infringements of the Criminal Code.

You spend an hour or two taking the pleas of guilty, and then you start back on those cases who wish to plead not guilty. Some poor lawyer has to defend them before a magistrate who is harried and rushed, and who probably has to appear in some other court fifty miles away at half past two that afternoon. Those are the conditions under which magistrates operate and I say, sir, that it is unfair to them to increase their absolute jurisdiction one iota.

If a prisoner wishes to elect to be tried before a magistrate and the magistrate can find the time to try him, well and good; but let us not impose on these overworked magistrates any heavier burden than they have at the moment. I can tell you, speaking at least of the magistrates in my own province, for whom I have the greatest respect, who are men of real ability and who do the best job they can, that it is impossible for them to carry the load they have now without imposing anything further on them.

As I said, you can forget the mechanics of the situation and go beyond the atmosphere of the courtroom; and why should the right to jury trial be curtailed on the part of anyone—whether it is for theft of $50 or of 25 cents. In these days and times when pressure of all kinds is mounting, when you have suspicion and distrust of the power of government—and I am not saying this at all politically—there is this one fundamental safeguard of the liberty of every Canadian citizen. It is his or her right to appear before twelve good men and true, or women as the case may be, and have the case tried before them.

I deprecate any enactment which will in the slightest degree infringe upon that fundamental safeguard. It is true that somebody will say that if persons are tried absolutely before a magistrate they are very fortunate because they can only receive a maximum sentence of six months; that is all that can be imposed upon them. There are many cases where a sentence of one day may be fatal to a person. It is not the extent of the sentence with which many of these accused are concerned, it is the fact that they are convicted at all.

Without embarking on other fields outside the scope of this debate, if a man is convicted and sentenced for one day, one month or six months, and is obliged to serve that sentence in jails such as are provided by municipalities in many parts of Canada today, then I say that is a dire punishment indeed. It is one matter which I think probably should be dealt with by a committee on justice. The whole administration of justice, the enforcement of the law and enactment of laws, and the whole question of punishment and the question of our jails and the use of them should be dealt with by a committee of this house.

So without taking further time now, Mr. Speaker, I do want to say that when this matter is before this house again, or in committee, I personally want to make many criticisms of the special sections; and I am going to continue to insist that there should be no abridgement of the right of trial by jury. It should be extended rather than abridged. These are fundamental rights which are guaranteed by practices which have gone on through the centuries, and they should not be interfered with by this special statute which, as we all know, is to some extent an infringement or alteration of the old English common law on criminal practice which has grown up through the centuries.

Mr. J. L. MacDougall (Vancouver-Burrard): It was not my intention to enter this debate and, first of all, may I explain that I am not a lawyer. But I dare say I am as good a lawyer as my good and honourable friend from Winnipeg North Centre (Mr. Knowles).

Mr. Knowles: A Q.C. for you.

Mr. MacDougall: Down in the maritime provinces they have a term they apply to a non-lawyer who tries to speak as a lawyer. They call him a seafaring lawyer, I think. Well, I am not even a seafaring or sea-going lawyer—a sea lawyer; I am corrected. However, in my opinion there is something to be said by hon. gentlemen in this house at this time in connection with this tremendous job of revising the Criminal Code. I think there are something like 477 clauses.

Mr. Fulton: There are 700.

Mr. MacDougall: Seven hundred and forty-four. Well, there are a lot of clauses but I am not going to deal with them individually, you may rest assured.

There are a couple of surprising aspects about this report, to me at least. Despite the fact that there has been an increase in crime across the Dominion of Canada, we have some hon. members of this house saying that we should be more lax in our punishment of crime. Although I have not the number of it before me, I recall the clause on treason. The penalty there has been increased considerably, and I want to deal with that for a moment. If in this country we are to continue a virile democracy, the harder parliament, through the enactment of amendments to the Criminal Code, cracks down on treason the better for the people of Canada. We hear a lot about sabotage in various countries of the world today and there are a lot of people in this country—I hope not too many, but I think I am on safe ground to say a few thousand—who are determined to alter the government of this country not by the votes of the electors but by force.

I have had and I am sure a great number of members have had communications from the Canadian peace congress. Strangely enough, no matter where those letters come from—and I have received them from pretty well all over western Canada and certainly all over the province of British Columbia—they list the same clauses and this is the number one that is complained of as anathema to democracy. If we take them too seriously I think we are going to run ourselves into a great deal of trouble because in this modern, scientific era there is such a thing as a thermal bomb. A few people, undemocratic in their views of government, could do a terrific amount of damage to the economy and welfare of the Dominion of Canada through the use of a few thermal bombs.

I do not think my hon. friend from Greenwood (Mr. Macdonnell) was laughing at me when he laughed just now, because what I say is quite factual. Those bombs do not need to be any larger than your fountain pen, and ten or twelve of them thrown along the railroad tracks going through the Fraser canyon, for instance, would completely sever rail communications between the Atlantic and Pacific oceans. These are serious aspects of our amendments to the Criminal Code.

In so far as the amended clause with respect to treason is concerned, I would say that as originally drafted it was not sufficiently specific. With respect to that aspect, and that aspect only, I believe the gentlemen in the other place were quite right in their amendment. In the final analysis we, as representatives of the Canadian people, ought to be very careful that when this bill goes to committee, the committee hearing is not going to result in a repetition of the principle of *stare decisis*. If it is, it is going to be too bad for the amendments to the Criminal Code. I will admit that the members of that committee should be clever jurists. The hon. member for Annapolis-Kings (Mr. Nowlan) spoke about poor lawyers. I hope he was referring to them in a monetary sense rather than in a qualitative sense.

Mr. Fulton: I do not think he mentioned poor lawyers.

Mr. MacDougall: He said "poor lawyers"; you read it. The point is that we want to do the best possible job on these amendments to the Criminal Code. We must always keep in mind the fact that some of the country's outstanding jurists gave these revisions a great deal of thought over approximately a two-year period. The members of the other place did likewise. I only ask that we, as members of this house and of that committee, give these amendments equally sound thought. We should keep constantly in our minds that what we are trying to devise is something that is going to be of specific benefit to the Canadian people as a whole, not one class or one group within the community.

Finally, I may say, with respect to the whole set-up of the revision of the Criminal Code, that unless we are determined to tighten the sections concerning treason and sabotage, and all those related matters, in my opinion as members of this House of Commons we are falling down on our job. I hope that is one thing that will come out of the discussions in the committee. It is almost axiomatic, Mr. Speaker, that if we allow freedom to be undermined in any part of Canada through laxity in our law, then our liberty is a farce.

Mr. H. W. Herridge (Kootenay West): I wish to make some observations on this rather mammoth document of 294 pages, Mr. Speaker. I can assure you that I shall be quite brief, because I think the member for Winnipeg North Centre dealt quite effectively with this subject, particularly with our concern and the concern of many others over certain sections in this bill. I must say that I enjoyed the speech delivered by the member for Kamloops (Mr. Fulton) this afternoon. I thought he made a most thoughtful contribution to this debate.

Since this bill has come to public notice as a result of a draft copy being made public early last summer, there has been considerable interest in certain sections of the bill. Since that time it has been given close scrutiny by a large number of trade union groups

in this country, by gentlemen of the legal profession, and I might say, Mr. Speaker, by the C.C.F. group in this house and others who belong to it outside of this house. According to parliamentary practice we are only permitted to discuss the principle of the bill on second reading. There are, however, sections of this bill of serious concern to the people in the groups I have mentioned, who consider they are a violation of traditional civil liberties and traditional trade union rights. I think the speaker who just preceded me made some references which indicated that there may be irresponsible people taking exception to some sections of this bill.

To illustrate the concern of the labour movement, I am going to place on record a letter sent by the secretary of the Canadian Congress of Labour to the secretaries of affiliated and chartered local unions, labour councils, federations of labour and representatives of the congress, concerning this bill. This letter is dated November 25, 1952, and reads:

Greetings:

The congress has received a number of inquiries about Bill H-8.

Of course, it is now Bill O.

This was a bill to revise the Criminal Code, submitted to the Senate at the last session of parliament. It was a bill of 744 sections, running to 294 pages of type.

The congress officers studied it, and referred it to the congress legal adviser; and the congress would have made representations on certain sections if it had not become clear that there was no chance of the bill passing last session. Actually, it never even got to the House of Commons.

During the summer, the congress was in touch with the government on the matter. The government said that the bill would be reintroduced at the present session, and would be referred to a special parliamentary committee, before which everyone interested would have ample opportunity to appear and make representations. The bill is in fact, so long, so elaborate, and so important, both to ordinary citizens and to the legal profession, that this course is inescapable. The bill just cannot be rushed through; every lawyer in parliament will insist on a most minute examination.

The moment the new bill is printed, the congress also will subject it to a most minute examination, with the assistance of the congress legal adviser. When it has done so, it will make prompt and full representations to the parliamentary committee, to parliament and to the government, on any and every provision of the bill which appears to be in any way dangerous either to the rights of unions or to the civil liberties of ordinary citizens.

Yours fraternally,

Donald MacDonald,
Secretary-Treasurer.

Now, Mr. Speaker, that was a letter addressed to the local unions of the congress, and it shows concern over certain sections of this bill. I have received correspondence from unions affiliated with the Trades and Labour Congress of Canada, from independent unions, and even from quite small groups of employees organized on a local basis. In addition, I have received communications from other groups in the community, groups interested in civil liberties, women's groups and so on. I have noticed in my own constituency that quite a number of the gentlemen of the legal profession are most interested in this bill. In fact I was asked to send several copies of this bill to members of the legal profession in my own constituency.

At this point I might say that I was interested in what the hon. member for Winnipeg North Centre had to say when he was making reference to the legal profession. As a rancher, one of those who make their living from the soil and the forests, I will freely admit that years ago I used to have a somewhat sceptical approach to the legal profession because, on occasion, I had found that it was quite expensive to have dealings with that profession. I will, however, say this. Since being a member of the legislature of British Columbia and a member of this house, I have come to the conclusion that the great majority of the people of Canada do not realize what a great deal they owe to the legal profession, having regard to their interest in civil liberties, the traditional rights of Canadians and that sort of thing. I have always noted that, regardless of party, they take a keen interest in this type of legislation.

As I said before, I have had a number of lawyers in my constituency ask me for copies of the bill, express quite severe criticism of certain sections of it, and promise to write me at length when they had an opportunity to study the latest draft of the latest bill which is Bill O. I have had responsible businessmen in the constituency I represent write me at length and ask for copies of the bill. They have given it some consideration and have expressed their objection to certain sections included in it.

In addition to that I have received in the neighbourhood of one thousand communications. On one hundred of these communications I notice the signatures of men who have served this country in either the first or the second world war. I therefore do not think it is quite correct for the hon. member who spoke previously to me to suggest—if I heard him correctly—that people who take objection to some sections of this bill are not entirely responsible or are not too greatly concerned about the welfare of this country.

I am not going to deal with the various sections of the bill, Mr. Speaker; in fact, I do not think I am capable of, shall I say,

getting away with it as well as did the hon. member for Winnipeg North Centre when he dealt with them. I heartily support the criticisms be brought forward concerning certain sections, as we all do in this group. We were rather delighted to see that he followed the example of the Minister of Justice (Mr. Garson) in so doing.

We in this group were glad when, last session, in reply to a question by the hon. member for Winnipeg North Centre, the Minister of Justice said that this bill would be referred to a committee. We believe that is an excellent practice. It is impossible to deal with a tremendous bill of this sort—one that is full of technicalities, legal phrases and that sort of thing—in the House of Commons in debate or actually in the House of Commons in committee of the whole. This committee will have a great and important task. I trust, Mr. Speaker, that it will be a committee of sufficient size and not just a small committee composed only of legal experts, with a few members from all parties in this house. I hope it will be a substantial and representative committee of this House of Commons, with members on it representing various points of view, various professions and trades, and so on. There is no question about it, the important work on this bill, so far as the House of Commons is concerned, will be done by the committee to which it is referred at the conclusion of this debate. That committee will have the opportunity to hear representations from trade unions—and I am sure a good number of them will make representations—and other groups.

In that connection I should like to make a point. I have answered dozens and dozens of letters about this bill, and I have made it a particular point to draw to the attention of the people who wrote me that Canada is a democracy, that the minister had advised us that the bill would be referred to a committee, and that all representative groups would have an opportunity to express their point of view, their objections to certain sections and so on.

I say again that we are extremely pleased that this bill is going before a committee. We hope the committee will take plenty of time. There is no need to hurry this matter through. In the opinion of this group it is far better to take two years before we finally adopt this measure than it is to make one mistake that transgresses any traditional Canadian civil liberty, any of the rights of trade unions, or any of the freedoms and democratic facilities we have enjoyed to date and trust that we shall continue to enjoy.

As I said before, Mr. Speaker, this committee has an exceedingly important and serious task to perform at this time in connection with this bill. I trust that it will give every consideration to the representations that are made to it and that it will make certain that, when the bill is returned to the house, it will recommend amendments, as necessary, to remove any suggestion that there is a violation of the traditional civil liberties or traditional trade union rights.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I have a few observations to make on this measure; but before doing so I just want to follow through, as it were, on two things which have been said by others.

In the first place, I should like to join with those who have suggested that they view the task of the committee as a most important and onerous one and who believe its numbers might be increased. I know that ordinarily one is inclined to think a small committee is better than a large one. But having regard to the magnitude of this task, and having regard to the fact that, for inevitable reasons, members are obliged from time to time to be absent, I think it is worth while to have a larger committee.

The second thing I should like to say is by way of comment on what the hon. member for Annapolis-Kings (Mr. Nowlan) said with regard to trial by jury. I remember reading a statement years ago by that great English lawyer, F. E. Smith as he was originally and who was subsequently Lord Birkenhead. He was a man who, I suppose, had pleaded in scores—perhaps even in hundreds—of jury trials. He spoke about the British jury and said that, in all the cases he had tried, there were only three in which he thought the jury had come to a wrong conclusion. He also said that in two of those cases he had since come to the conclusion that it was not the jury that was wrong, but himself. To me that was a tremendous endorsement of this practice. It is easy to make fun of the jury. A good deal of wit has been exercised at the expense of the jury; but there we have the opinion of a great and experienced authority.

I should like to make one or two comments on the measure itself. In the first place I was utterly astounded to find how many people are affected by the criminal law in this country. I could hardly believe my eyes when I read the debate in the other place. According to the figures given, there were 918,000 convictions in the year 1948. That does not include the people who were tried and let off. Of course the great majority of those convictions were for trivial offences. One

does not want to create the impression that the people of the country generally are criminals. A great many of the offences would perhaps be due to a little bit of excessive enthusiasm the night before, and we should not take them too seriously. But on the other hand it is a tremendous figure, and it makes one realize how close this legislation comes to the lives of a great many people.

On looking over the provincial records I read with some regret that my own province of Ontario has the unenviable pre-eminence of leading the list. The ratio to 1,000 of population in Ontario was 147·4. For reasons that will be better known to the people of that province than they are to me, Saskatchewan was at the bottom of the list with 29·2 per 1,000. I can only hope that we in Ontario have this pre-eminence perhaps because of superior energy which has to be let loose in one way or another.

I was born and brought up in Kingston. We had many advantages in that city. We had a penitentiary, an asylum and a university. I remember once walking past the penitentiary where a very novel view of crime was presented to me, which I do not endorse for one moment. I just pass it on as the view of a whimsical man. As we were walking past he pointed out the penitentiary and said that in there were people who possessed such energy that we could not compete with them, so we conspired to lock them up. That is not a view of crime that I wish the committee to take into serious consideration, but it just occurred to me as I was going along.

The other chief point I would like to make is what an amazing advantage it has been to us who live in this country that in the wisdom of the framers of confederation, in spite of what must have been great difficulties, we ended up with one criminal law; whereas in the United States, and I read from volume 6 of the "Encyclopaedia Britannica", they have—

> For purposes of the administration of criminal justice each of the forty-eight states, and the federal government, is a sovereign state with its own law, its own exclusive jurisdiction, its own judges and other officers of justice, its own system of penalties.

And so on. I think we are all familiar enough with life in the United States to know the results of this multiplicity of jurisdictions and different laws. When I say "different laws", there is this that is common to them all, that all or nearly all of them embody a great deal of the common law of England. I might refer to one thing here, that the common law was very general throughout the states, but on the other hand it was not accepted in toto. For example, in an early Pennsylvania case I read the following from the judgment:

> The common law punishment of ducking (which was the punishment for the offence of being a common scold in England) was not received nor embodied by usage, so as to become a part of the common law of Pennsylvania. It was rejected—

I understand that "scold" as used there means "wife".

Mr. Browne (St. John's West): It is retained here especially.

Mr. Macdonnell (Greenwood): The hon. member says it is retained here especially. That is a comfort; I did not know that. These things are important to have in mind when one thinks of the difficulties in the United States due to this multiplicity of jurisdictions that has occurred. Any number of undesirable pardons have been issued there by state governors. As I understand it, you can work up such a lobby that it is often easy to have the ends of justice defeated. That leads one to pay tribute to the wisdom and the generosity of the framers of our constitution, because it meant a good deal of giving up here and there to make concessions necessary to have a common criminal law, which has meant a great deal to the development of juridical life in this country.

There are one or two other comments I wish to make. I should like to endorse what my colleague, the hon. member for Kamloops, has said on the subject of treason. When one thinks of treason, it is not so many years ago that we thought of it as something that existed in funny far-off countries, where they did not know how to live together and where strange things happened, which of course could never happen here. Well, since then things have changed. I imagine most of us have read that book "It Can't Happen Here". I suppose that everyone who read it had the same feeling I had, how easily it could happen anywhere if people became careless about the protection of their freedom.

The protection of freedom is not an easy thing, because there is a great temptation, when we find freedom attacked in one way that we find abhorrent, to crack down on it in ways which perhaps strike against the very principles we are trying to protect. Therefore, as I say, this question of treason is terribly difficult. We have to be firm; we must not be sentimental or unrealistic in recognizing the fact which I for one was slow to recognize, namely that there are people in this country who go about among us, who

seem like us, who are personally quite pleasant, who take full advantage of our institutions, who have had the benefit of them, but nevertheless are prepared to conspire to overturn them; and yet in our indignation at them we may go too far, for it is so easy sometimes to feel that we must go the limit in cracking down.

Without elaborating the matter further, Mr. Speaker, the only safe place I can find where I can come to rest is to say that we shall not try to punish men for what they think; we shall only punish men for what they do. As to the definition of the act, I am not going to discuss it further. Someone said here earlier, and I agree with it, that what we have to do is consider this act as something which is for the benefit, not of this section or that section, but of every citizen of Canada.

As I take my seat I should like to reiterate something that was said to this house earlier; that in spite of all the difficulties and sometimes they are terrible ones—facing us in some of the things abhorrent to us which people will do, I recall again Churchill in different circumstances. He was mentioned earlier tonight. I suppose if there is one man in this world who must have tried the patience of those having to do with him it is the red Dean of Canterbury. Our late colleague, whom we all remember with regret and affection in this house, the former member for Calgary West, Art Smith, spoke of him one day in this house in terms of great vehemence which I think reflected the views of all of us, but when Churchill was pressed to take some action—I suppose it would have meant a change in the law in order to do it—he said: "We must remember that the principles we believe in have to be preserved; even though we suffer greatly in the doing of it, we must stick absolutely to the law."

We have here this tremendous bill, tremendous in size and tremendous in importance. I agree with all that has been said about the care and thought which should be given to it. The thing is not to get it back here quickly; the thing is to get it back here in the best possible shape it can be given.

Mr. W. J. Browne (St. John's West): I should like to make a few remarks. I commend the Minister of Justice on his wisdom in agreeing to have this bill sent to a special committee. We should not rely entirely on the experienced lawyers in the other place, because there are so many lawyers and ex-judges in this place who can give us the benefit of their experience in such an important matter as a new revision of the Criminal Code.

I should like to make an humble apology to the hon. member for Greenwood (Mr. Macdonnell) for interrupting him when he was speaking on the serious offence of being a common scold. My memory was at fault. I said it was being specially retained. It is being specially rejected. I find this in the commissioners' report:

> Certain common law offences are, in the opinion of your commissioners, obsolete and archaic and are not retained, for example, champerty and maintenance, barratry, refusing to serve in office and being a common scold.

I think most of these offences are as Greek to the ordinary layman.

There are two special subjects about which I should like to speak, and they are both linked together here in this report of the commission that dealt with this subject. They are the questions of restitution of property and compensation, and the jurisdiction of magistrates.

As everyone knows, when property is damaged maliciously or is stolen the state feels that a public offence has been committed. It is an offence against the state; that is why there is a hue and cry and action by the police and the attorney general and so forth. But the person who suffers most is the one whose property has been taken or damaged, or who has received personal injuries. Quite often his rights are neglected and he may suffer more in fact than the prisoner who is punished. At times the prisoner is punished but the party who is injured is completely forgotten.

A person may have property stolen. The Criminal Code now provides that he might be compensated to the extent of $1,000, which would constitute a judgment debt against the convicted person. That provision is going to be changed; the limit has been taken out and the compensation is now limited to the moneys found in the possession of the prisoner when arrested. In other words the prisoner may be a millionaire, but if he has no money on him when arrested there will be no restitution of property or compensation for the injured person.

I know of an instance where a place was broken into and property stolen and damage done to the extent of about $500. The accused was unable to obtain a bondsman to provide bail, and he offered the magistrate a certified cheque for $4,000. He was allowed out. When he went to the supreme court they would not take this cheque as bail, so the money was returned to his lawyer and some of it went to his wife. The person whose property was damaged has not yet received any compensation. I do not see how anyone

can call that administration of justice. The one person who is most concerned is the one whose property is damaged and in that case he has not yet received any compensation. The matter was pursued in the civil courts, but the accused person had left the country. He was released by authority of the Department of Justice because he was ill, and he escaped from the jurisdiction. Compensation has not been given to the person whose property was damaged.

I feel that consideration should be given to this important matter. I know from experience that it has been a most valuable provision for a judge to be able to order that compensation should be given. In my opinion, apart from the punishment of the guilty person, that should be done whenever possible. These people who have suffered injury should not have to bear the expense of a civil action. Their losses may run more than $1,000, and the present limit should be removed and compensation, whatever it may amount to, ordered to be paid out of any property belonging to the accused, not merely what he has in his possession at the time of arrest. The arrested person may be cute enough to pass whatever money he has to some friend before he is actually put in the cell block. By that means he could escape having to pay any compensation. I hope therefore that this matter will receive consideration when the bill goes to the committee.

I should like to deal now with the question of the jurisdiction of magistrates. This bill proposes to enlarge their jurisdiction to some extent. It must be remembered that magistrates are concerned chiefly with the administration of provincial laws, and these are considerable in number. I think that constitutes the bulk of their work. Every year new laws are passed which must be dealt with summarily by magistrates. Over the last 50 years the work performed by magistrates has increased manyfold.

The tendency has been to give more work to the magistrates and to take work away from the judges. The Minister of Justice (Mr. Garson) knows that in Newfoundland we have only the supreme court and the magistrates' courts; we have no county court or district court. I had the honour of being the last district court judge; no appointments have been made since. The law provides for five district court judges, but not one has been appointed.

The magistrates are being given tremendous powers, the same as judges of the supreme court, to pass sentences up to fourteen years. Only two or three of the magistrates in Newfoundland are lawyers, and I do not think it is fair to give an untrained layman the responsibility of imposing a sentence of that severity. I know serious mistakes have been made. It is a reflection upon those responsible for the administration of justice that such power over their fellow men should be given to men who are not legally trained. I think my hon. friend will agree with that.

I know the magistrates are overworked. The magistrate's court in St. John's is a disgrace. Anyone who has gone there and who has had any experience anywhere else knows that they are tremendously overworked. It is a reflection upon those responsible for the administration of justice down there. You have a courtroom, and you have an office that is sometimes used as a courtroom. The magistrates have even to hear trials in their offices.

Mr. Deputy Speaker: I believe the hon. member is getting much farther away from the bill than perhaps any other previous speaker. The facilities available for magistrates, about which he is now speaking, should not be discussed on the second reading of this bill. I know some latitude has been given, but I am asking myself if I should not intervene at this time and ask hon. members to confine themselves to discussing the principle of the bill and not go into individual cases, the application of the law or the organization of the provincial courts.

Mr. Browne (St. John's West): I wonder if I may, with deference, disagree with some of the observations you have just made about speaking to the principle of the bill. I would point out that this is a code which contains many principles and which deals with many subjects.

Mr. Deputy Speaker: I did not make a ruling, I simply made an observation in the hope of getting the co-operation of hon. members. I do not want to enter into a procedural debate. The hon. member may continue.

Mr. Browne (St. John's West): This increased work has been given to the magistrates without any consideration being given to increasing their salaries. If you increase the jurisdiction of a judge or magistrate I think it is only fair that that point should be considered also.

Another point to which I wish to refer is the taking of evidence by commission where a witness cannot be brought before the court. That provision applies only to trials in the higher courts, and I submit that it should apply to the magistrate's court as well.

I should like to repeat the two points that I wish to make. First is the importance of providing restitution of property as part of

the penalty inflicted upon a person convicted of an offence. Second, there should not be too great responsibilities placed upon the magistrates, either by giving them too much work or too much power.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I wonder if before he closes the debate the minister will put on the record, for the benefit of a number of groups which I know are desirous of coming before the committee, the details of the procedure that should be followed. Will the minister indicate also whether, as far as his department is concerned, the bill as now amended and presented to us is like the law of the Medes and Persians, not to be changed? Is this bill going before the committee with the minister and his supporters being there to see that no change takes place? Will the committee be given some latitude to hear and weigh representations and, without the use of the party whips, be free to try to reach fair conclusions regarding some of the points in the bill which are in dispute?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker—

Mr. Deputy Speaker: If the minister speaks now, he will close the debate.

Mr. Garson: Mr. Speaker, in reply to the question which the hon. member for York South has asked, I should like to point out that, while I am sure there were no implications, aspersions or insinuations in his question and that he was just asking for information, I really do not think, with great deference, that on the basis of the performance of the government in this matter to date he is really entitled to entertain any doubts at all upon the points he has raised. The fact of the matter is that in my memory there has been no bill in this house, or in any other legislative body in which I have been, to which a greater amount of genuinely democratic consideration has been given, than to this.

The first draft was made by a commission of highly qualified and experienced experts in the field of criminal law who were representative of all parts of Canada. In spite of the eminence and the outstanding and recognized ability of all the members of the commission, which, may I say in rebuttal to those who have suggested that nothing but the prosecution viewpoint has been reflected in this bill, included such eminent defence lawyers as Mr. Joseph Sedgwick, Mr. J. J. Robinette and Mr. Arthur Slaght, and in spite of the undoubted excellence of the draft bill which they produced, this government has never at any stage taken the position that it was a law of the Medes and Persians. When we have received and in several cases acted upon representations from individual lawyers, from the bar of British Columbia and the bar of Nova Scotia as professional groups, from the commissioners on the uniformity of legislation, criminal section, from the attorneys general of the various provinces and from the members of the other place, particularly from the subcommittee of the Senate committee on banking and commerce which turned over the great bulk of work which was done by that committee, the spade work, the hard work of drafting, to three senators, namely, Senator Hayden, Senator Farris and Senator Roebuck, who are known from one end of the country to the other as eminent, skilful and experienced defence criminal lawyers, it seems to me that it is not altogether in accordance with the facts to suggest that we have refused to accept worthy suggestions, or that there has been a bias in favour of the prosecution in the drafting and revision of this bill.

If indeed there ever was at any stage of the proceedings, it has certainly been counterbalanced by what was done by these three senators in the subcommittee. These men are all outstanding as excellent criminal lawyers, and if they have any bias at all it would be extraordinary if it were not in favour of the defence when they have been acting for the defence in so many cases over the years. The government has maintained an open mind in respect of all these matters and it will continue to maintain an open mind with relation to the many valuable suggestions it has received from these several sources. We have always welcomed and we have given most careful consideration to these proposals. We have adopted a large number of them. If those members who are familiar at all with the bill as it was introduced in the other place last year will compare it with the bill which was introduced in the other place this year they will see that there have been many material changes in the draft which, when it came from the commission, was recognized from one end of the country to another as excellent to begin with.

Therefore, while I agree with the viewpoint of every one of the speakers who have preceded me as to the wisdom of this house making its own decisions with regard to the provisions of the bill, you may rest assured, sir, that if these decisions commend themselves to the open mind which we shall maintain, just as much in relation to the proposals of the House of Commons as we have maintained in relation to the suggestions of the other place, we shall give effect to them.

All of these Canadian citizens to whom I have referred have taken a very great and

keenly intelligent interest in this matter. The work which they have performed on a voluntary basis has been of a most creditable character. Their contributions and the manner in which they have been received by the other place to begin with, by the government, and, as I am sure they will be, by this house, have constituted a heart-warming example of democracy in action in a matter in which everyone from the ordinary citizen to parliament itself has played his part in a co-operative effort to get as good a law as we possibly can in this consolidation of the Criminal Code.

I do not share all the views of the hon. member for Winnipeg North Centre (Mr. Knowles). Indeed, I think on every one of the specific points he raised tonight I find myself, quite reluctantly of course, in disagreement with him, but there is no harm in that. Our disagreement will produce all the better debate in the committee if he will venture to become a member of it. While I have great respect for the hon. member for Annapolis-Kings (Mr. Nowlan), there is one respect in which I must quite modestly venture to disagree with him. I must say in all frankness that if one had not had the experience of this measure in the other place before one, one would be inclined not to disagree but to agree with his viewpoint as to the value of a large committee. But it was very clear there that when a committee is dealing with the actual drafting section by section of a difficult statute, which is a tedious, grinding job, in the end, as happened there, the great bulk of the work falls upon the shoulders of three very hard-working men who put in long hours of labour on the bill.

For that reason—and I may say I have discussed this matter with the leaders of the other parties—I think that perhaps the best membership for the committee that we could set up would be a membership of 17. Once the house gives second reading to the bill I should like, if I may, to have unanimous consent to move that the bill be referred to a committee and to provide for the setting up of that committee this evening if possible.

Motion agreed to and bill read the second time.

APPOINTMENT OF SPECIAL COMMITTEE—REFERENCE OF LEGISLATION TO COMMITTEE

Mr. Deputy Speaker: Does the minister wish to have leave to revert to motions?

Mr. Knowles: Mr. Speaker, before you contend that leave has been given, in the light of an experience we had yesterday I do not think it should be assumed that leave has been given to what the minister proposes to do until we know precisely what that is. I wonder if there is any hurry about the bringing in of the motion setting up the committee. Is it not possible—I think it is procedurally correct—for the minister to move that the bill be referred to a committee to be designated later?

Mr. Garson: Yes, that is right.

Mr. Knowles: I thought the minister was now going to indicate the number of members of the committee and its composition. It is only the number of members of the committee and its composition that I think should be left over. I am not opposed to a motion that it be referred to a committee to be designated later.

Mr. Garson: May I suggest, Mr. Speaker, that I naturally conferred with the Clerk in this matter and reached agreement that this is the form of motion which it is now appropriate to move. Perhaps if I read the motion my hon. friend may consider whether he wishes to object to it or withdraw his objections. The motion is:

That a special committee be appointed to consider Bill No. 93, an act respecting the criminal law, and all matters pertaining thereto, with power to send for persons, papers and records, to examine witnesses, to print its evidence and proceedings, and to report from time to time its observations and opinions thereon; that the said committee consist of seventeen (17) members to be designated at a later date;—

Mr. Fulton: Is there not something about a provision regarding one of the standing orders?

Mr. Garson: Yes.

—and that standing order No. 65 be suspended in relation thereto.

If I am not out of order perhaps I might indicate the second motion which would follow there.

Mr. Deputy Speaker: Has the hon. minister unanimous consent to proceed in this fashion? He has not had leave to revert to motions. Has the hon. gentleman leave to revert to motions at this time?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I am speaking now about the first motion, the one that was read by the minister a moment ago.

Mr. Fulton: The minister indicated that in order that we should know what was contemplated he would indicate, without moving it, what the motion was, so that we may have the whole picture before us.

Mr. Deputy Speaker: Hon. gentlemen realize that this sort of procedure can only take place with unanimous consent?

Some hon. Members: Agreed.

Mr. Garson: The second motion would be:

That Bill No. 93, an act respecting the criminal law, be referred to the special committee appointed to consider the said bill.

Mr. Knowles: If we pass these two motions we will adopt everything except the names of the persons to compose the committee, and that will be left to a later date.

Mr. Deputy Speaker: Hon. members have heard the two motions. Are they agreed?

Some hon. Members: Agreed.

Mr. Fulton: I want to make a brief observation on the motion, although I am agreeable to the procedure.

I just want to take this opportunity to support fully what was said earlier by the hon. member for Annapolis-Kings (Mr. Nowlan). While this is the only way in which this bill could be referred to a committee, I think it indicates more clearly than anything else the desirability of having a standing committee on justice under the rules of this house.

I want to point out to the house and the minister that the judicial committee, as it is called in the United States congress, is one of the most important committees of that body. We have had a number of experiences with bills requiring more in the way of legal consideration than partisan or political consideration, matters on which there is no difference between the parties. They require very careful consideration for their legal implications, and I believe that type of bill should be referred to a standing committee on justice. I believe that is indicated by what has happened here today, in fact by the readiness of the house to give its agreement to this procedure. And it would seem more appropriate if it were not necessary to ask for that type of consent, and if it might be recognized practice of this house that bills of this kind would be referred to a standing committee which should be set up for the purpose.

I hope the minister will give his consideration to it, not only because of what has happened here tonight but because I believe that questions coming before this house dealing with the administration of justice in this country are matters of great importance and warrant the setting up of a standing committee on justice so they may be automatically referred there.

Mr. Knowles: Just one word on these motions. One of them is debatable, even if the other is not. I am referring to the motion to set up a committee of 17 members, whose names are to be designated later. If that number is as high as the minister is prepared to go I presume we have no alternative but to accept it. It is certainly better than the rumour we heard some time ago as to what the number might be.

I just want to say, in line with what other members have said tonight, that it seems to me that the importance of this question is such that, out of a house of 262 members, with the plethora of lawyers we have here, 17 is hardly enough. One of my reasons for having demurred just now was the hope that the minister might consider a larger number than 17; but it is better than the smaller committee, and if that is as high as he will go we have no alternative but to accept it.

Mr. Deputy Speaker: Is it agreed that this bill is referred to the special committee appointed to consider the said bill?

Some hon. Members: Agreed.

Motions agreed to.

SAINT JOHN BRIDGE AND RAILWAY EXTENSION COMPANY

PROVISION FOR ACQUISITION BY CANADIAN PACIFIC RAILWAY

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 38, respecting the Saint John Bridge and Railway Extension Company.

Mr. Green: I suggest that we call it ten o'clock.

Mr. Chevrier: I have no objection provided it is made *mutatis mutandis*.

Mr. Green: I did not hear that.

Mr. Chevrier: It is a Latin maxim.

Mr. Deputy Speaker: Does the hon. member for Vancouver-Quadra (Mr. Green) move the adjournment of the debate?

Mr. Green: No, Your Honour, I did not move adjournment.

Mr. Fournier (Hull): It has to be that way.

Mr. Green: I suggest the minister move adjournment.

Mr. Chevrier: I have no objection at all.

On motion of Mr. Chevrier the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, Monday is private members' day. We will proceed according to standing order 15.

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

HOUSE OF COMMONS

Monday, January 26, 1953

The house met at 2.30 p.m.

PRIVILEGE

MR. DREW—REFERENCE TO C.B.C. BROADCAST "CAPITAL REPORT"

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise to state a question of privilege affecting every hon. member of this house. It is in connection with a C.B.C. broadcast yesterday from Ottawa called "Capital Report". I have in my hand a copy of the text submitted to the station by Mr. Michael Barkway and I shall read the portion which I am making the subject of privilege. I think what I have to put forward constitutes one of the most astonishing breaches of the privileges, rights and responsibilities of the members of this house which can have come to the attention of any hon. member. I propose to read part of page 1 and page 2 of the text used yesterday by Mr. Barkway in the broadcast on a national network from Ottawa. After referring to what he described as the domestic drama of the Currie report, he went on to say:

As a drama critic, I think one's bound to say that act II wasn't up to the standard of excitement of act I. For one thing the sub-plot took up a disproportionate amount of attention. This is the mystery—now being cleared up—of how the C.C.F. party got its hands on an earlier draft of the report which Mr. Currie had neither approved nor signed. The first half of the answer is that the copy was stolen from a print shop in Montreal; and the man accused of stealing it is now in custody awaiting trial. How it got from the thief to Mr. Coldwell—who is certainly honest—we still don't know. But I suppose part of the scene of act III will be laid in a courtroom in Montreal, where some more of the story will come out.

The other part of act II which has now concluded was laid in parliament. I remember remarking on this program six weeks ago that Mr. Currie's description of the Petawawa horses on the pay roll was "more picturesque than precise". It turns out, in fact, to have been so imprecise as to have been false. It was taken, apparently, from the police records and the records of the Petawawa trials and in the process of condensation into one sentence it was wholly distorted. A cub reporter who had done the same thing would have lost his job.

You may think this was just by the way. But these inaccuracies in the Currie report—the horses and the false accusation that the C.N.R. let its tracks be stolen—I think they had a good deal to do with the major theme of the recent parliamentary debates. And that was whether the Currie report should be referred to the defence expenditures committee, or whether instead Mr. Currie should be invited to extend his inquiries into the rest of the Department of National Defence. The government wanted to send the report to the commons committee for a fuller examination. The government majority—inevitably—voted to do that, and the committee has been set up. This wasn't what the opposition wanted. They say—and they're right—that the committee has a majority of Liberal members; and it's a foregone conclusion that its report will be as favourable to the government as the loyal Liberal majority can make it.

No doubt this is perfectly true. But the committee's report won't matter so much as the evidence which the committee hears—particularly from Mr. Currie himself. The inaccuracies of the original report—which are after all purely incidental—won't matter much if Mr. Currie has a mass of further detail to back up his charges of the "general breakdown in administration". But if he hasn't more detail than he gives in his report, then the government will be in a better position to claim that this is a bit of a storm in a teacup.

The most serious breach of the privileges, rights and responsibilities of members, Mr. Speaker, is the bald statement by this man who purports to be an accurate reporter—

An hon. Member: He is.

An hon. Member: Too accurate.

Mr. Drew: —that, had it not been for these demonstrated inaccuracies in the Currie report, then it is likely that the inquiry might have occupied a wider field. Then let us see some of the positive statements made by this man who enjoys the privileges of the House of Commons, under the privileges extended by Your Honour in the usual way to the highly respected members of the press gallery.

Some hon. Members: Oh, oh.

Mr. Drew: Mr. Speaker, the laughter that greeted that comment indicated a lack of appreciation on the one hand of the significance of a statement of this kind by a man who has the special advantage of hearing all of the debates, under the privileges extended to members of the press gallery in the house; and, on the other hand, that laughter indicated that some of the hon. members who made that interjection in that way obviously disregard the fact that such a statement as this might reflect upon those hon. members of press gallery whose reputation is of the very highest. I think it is our concern in this house to maintain responsibility for members of the press gallery who are part of the general proceedings of this house.

Now, first of all, may I point to the fact that we have here the bald and emphatic statement, without any reservation, that the Currie report turns out in fact to have been so imprecise as to have been false. Mr. Speaker, I would have hoped that some member of the government would have risen to deal with a statement of that kind with regard to a man they had chosen, and whom they describe, as the most highly qualified man in the Dominion of Canada for the task allotted to him. Nevertheless, whether that might be regarded as the duty of the government or not, the fact remains, as very well might be pointed out, that such a statement is in itself wholly removed from the truth. No such finding has been made; and no such finding could be made.

May I also point out that we have this statement not only going out from this reporter but going out from the Canadian Broadcasting Corporation, which is guided by the policy laid down by the government, as stated by the minister responsible for that department.

Mr. Speaker: I have not interrupted the hon. Leader of the Opposition (Mr. Drew), but I am following him closely to determine the question of privilege on which he has risen. A criticism of the government at this time is not a question of privilege. May I suggest that he should state his question of privilege.

Mr. Drew: Mr. Speaker, I am submitting this to Your Honour: to consider on the one hand what disposition you feel should be made of these facts, having regard to Your Honour's responsibility for the privileges within this house; and, on the other hand, I am placing before the government facts which they must immediately take into consideration, having regard to their responsibility for the Canadian Broadcasting Corporation—because there is another point which I think is extremely important in this statement, and it is the question of contempt of court.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, I hardly think this is the time to place that question before the government. On a question of privilege all that can be considered is the breach of the privileges of the house in so far as they concern the house generally or some members of the house.

Mr. Drew: Well, Mr. Speaker, I pointed out that this statement, carried to the people of Canada by the government-owned broadcasting system—by a man who enjoys the privileges of the press gallery—stated as a fact certain things which are before members of this house for consideration in committee. This man, over the government-owned system, is taking it upon himself to pass judgment in regard to something that is before hon. members of this house for decision. That is certainly an infringement of the right and duties of members of this house.

Moreover, this man has taken it on himself to flagrantly stand in contempt of court, and the government must have some concern about that, in view of the fact that it initiated these proceedings and also in view of the responsibility it accepts for the policies of the C.B.C.

Now, Mr. Speaker, the facts are before you. This report that I have read to you from Mr. Barkway's text contains one demonstrable misstatement after another. In no single case are those misstatements clearer than in these two statements. There is a reference to non-existent horses—

Mr. Speaker: Order.

Mr. Drew: —and the Prime Minister (Mr. St. Laurent) has stated that they existed.

Mr. Speaker: I cannot allow a debate on that question at the present time. I hope that the Leader of the Opposition will not press that point now.

Mr. Drew: Mr. Speaker, I will not press that point but I will refer every hon. member to the statement of the Prime Minister which shows that they did exist. I would also point out that in this statement Mr. Barkway refers to the false accusation that the C.N.R. allowed its tracks to be stolen. No such accusation was made.

Mr. Speaker: Clearly that does not come within the questions of privilege which an hon. member is allowed to state as a question of privilege at this time. We are now getting into a debate on whether the facts stated by the member of the press gallery are correct or incorrect.

Mr. Drew: Mr. Speaker, I will close my comments with this statement in reference to what I have put before you. The statements in this text are before you for consideration. I ask you to consider them in relation to the report, in relation to the statement made by the government in this house, and in relation to the fact that a committee has been set up to discuss this very subject. Also, I place this matter before the government in view of the fact that it has stated its responsibility for the policy of the C.B.C. I submit that the government should act in relation to contempt

of court by the C.B.C. as well as this broadcaster—because if propaganda of this kind is going out while matters of this kind are before this house it destroys the whole effect of committees in this house.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the hon. gentleman has stated that he has placed these facts before you and that he wishes to have you appreciate them. I do not think I need to make any comment whatsoever.

Some hon. Members: Hear, hear.

Mr. St. Laurent: He read the statement about which he complains and then he made his speech about it. There is a certain doctrine about what is said or what is published that is sometimes called the doctrine of fair comment. Well, I think that if one applies that doctrine to the statement read by the hon. gentleman, and to his own comments on that statement, the conclusion will not be a very difficult one to draw.

Now, regarding the responsibility of the government for what goes out over the C.B.C. there is to be set up a committee to deal with the C.B.C. It has been stated many times in this house that the government does not attempt to dictate to the C.B.C. what will go out over its wires, and I think the best evidence of that is some of the things that the hon. gentleman himself broadcasts.

Some hon. Members: Hear, hear.

Mr. St. Laurent: If the committee examining the conduct of those who do direct the policies of the C.B.C. sees fit to make a report to this house, about matters such as this, I am sure the house will consider it. Perhaps in the meantime Your Honour will have to consider whether our privileges have been impinged upon, and whether they are by the broadcast read by the Leader of the Opposition (Mr. Drew) or by his own statement.

Mr. Drew: Mr. Speaker, I rise now on a question of privilege.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Drew: It is regrettable that the Prime Minister (Mr. St. Laurent) should disclose his lack of appreciation of the difference now between the position of a member of this house and someone outside making comments about matters that are before this house for consideration. His closing remarks were wholly unworthy of the nature of the matter that is before us.

Mr. Speaker: Order. I shall take under consideration what has been said, and if I feel that I should take any action I shall do so.

WHEAT

BRITISH PURCHASES FROM RUSSIA—SALE OF CANADIAN SURPLUS

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): On Friday, January 23, the hon. Leader of the Opposition (Mr. Drew) asked a question about a report in the newspapers concerning the purchase by the United Kingdom government of some 22 million bushels of wheat from Russia. I made a reply in general terms and promised to make an inquiry to get something more precise to put before the house. This is the information I have now obtained.

It is pointed out, in the first place, that the press reports of the negotiations refer to a quantity of 600,000 tons. I was not able at once to reduce that quantity into bushels, but I am told it is approximately the equivalent of 22 million bushels. In the second place, the report referred not only to wheat but to all grains, and particularly coarse grains. Hon. members will know that the United Kingdom has bought substantial quantities of coarse grains from Russia in the past few years, and the present negotiations are no doubt a continuation of that pattern. The quantities under negotiation, if correctly reported, would appear to be less than in previous years. Generally speaking, the United Kingdom has followed the practice of buying a large part of her wheat requirements in Canada, and the bulk of her coarse grain supplies elsewhere. In the first ten months of 1952, Canada exported only 1,615,000 bushels of barley to the United Kingdom.

On Friday I made reference to current negotiations between the United Kingdom and the Canadian wheat board. As a result of these negotiations, arrangements have been made for the United Kingdom ministry of food to take a portion of the agreed quantity of food for the present year—a rather small percentage—on a class II basis and price rather than under the lower international wheat agreement price. This arrangement will permit the United Kingdom to purchase under the international wheat agreement additional wheat which recently became available in Australia, and which it would otherwise have no right, under the international wheat agreement, to purchase at the class II price because Australia has been unable to fulfil the quota that it must dispose of under the international wheat agreement price. This arrangement does not,

however, up to the present time, involve any change in the quantity of 115 million bushels which was announced by the Minister of Trade and Commerce (Mr. Howe) as the amount which the United Kingdom had contracted to purchase. It may mean that for a certain portion of it the wheat board will be getting a somewhat higher price than under the original agreement.

HOUSE OF COMMONS

PERSONNEL OF SPECIAL COMMITTEE ON PROCEDURE

Mr. W. G. Weir (Portage-Neepawa): In compliance with the motion of the Prime Minister (Mr. St. Laurent) of January 22, I beg to move, seconded by the hon. member for Dorchester (Mr. Tremblay), that the members whose names are annexed hereto shall constitute the special committee of this house on procedure. The names are as follows:

Messrs. Bradette, Churchill, Fleming, Fournier (Hull), Fulton, Harris, Knowles, MacNaught, Pouliot, Quelch and Weir.

Motion agreed to.

RAILWAY ACT

AMENDMENT TO ELIMINATE LEVEL CROSSINGS IN FUTURE CONSTRUCTION

Mr. J. L. Gibson (for Mr. Murray, Cariboo) moved for leave to introduce Bill No. 106, to amend the Railway Act.

Some hon. Members: Explain.

Mr. Gibson: The purpose of this amendment to the Railway Act, Mr. Speaker, is to provide that, in any future application to the board of transport commissioners for the construction of any railway, the board shall make such an order as will ensure the elimination of level crossings, and no highway shall be constructed across a railway unless it is carried over or under such railway.

Motion agreed to and bill read the first time.

QUESTIONS

DOMINICAN RAW SUGAR IMPORTS—REBATES

Mr. Murphy:

1. (a) What quantity in pounds, of Dominican Republic raw sugar imported in 1951, under the Dominican Republic-Canada agreement was entitled to rebate payable by the Canadian government to Canadian refiners; (b) how much will the total rebate be when completely paid for Dominican Republic raws imported in 1951; (c) how much of this rebate has been paid to date?

2. (a) What quantity in pounds, of Dominican Republic raw sugar imported in 1952, under the Dominican Republic-Canada agreement was entitled to rebate payable by the Canadian government to Canadian refiners; (b) how much will the total rebate be when completely paid for Dominican Republic raws imported in 1952; (c) how much of this rebate has been paid to date?

Mr. McIlraith:

1. (a) None; (b) Answered by (a); (c) No refunds paid.

2. (a) Information not yet available; (b) Information not yet available; (c) No refunds paid.

CUBAN RAW SUGAR IMPORTS—REBATES

Mr. Murphy:

1. (a) What quantity in pounds, of Cuban raw sugar imported in 1951, under the Cuba-Canada agreement, was entitled to rebate payable by the Canadian government to Canadian refiners; (b) How much will the total rebate be when completely paid for Cuban raws imported in 1951; (c) How much of this rebate has been paid to date?

2. (a) What quantity in pounds, of Cuban raw sugar imported in 1952, under the Cuba-Canada agreement was entitled to rebate payable by the Canadian government to Canadian refiners; (b) How much will the total rebate be when completely paid for Cuban raws imported in 1952; (c) How much of this rebate has been paid to date?

Mr. McIlraith:

1. (a) 43,399,957 lbs.; (b) $37,485.33 out of $611,111.83 paid in duty on these importations; (c) $29,259.84.

2. (a) Information not yet available; (b) Information not yet available; (c) $41,909.69.

HAITI RAW SUGAR IMPORTS—REBATES

Mr. Murphy:

1. (a) What quantity in pounds, of Haiti raw sugar imported in 1951, under the Haiti-Canada agreement was entitled to rebate payable by the Canadian government to Canadian refiners; (b) How much will the total rebate be when completely paid for Haiti raws imported in 1951; (c) How much of this rebate has been paid to date?

2. (a) What quantity in pounds, of Haiti raw sugar imported in 1952, under the Haiti-Canada agreement was entitled to rebate payable by the Canadian government to Canadian refiners; (b) How much will the total rebate be when completely paid for Haiti raws imported in 1952; (c) how much of the rebate has been paid to date?

Mr. McIlraith:

1. (a) None imported; (b) Answered by (a); (c) No refunds paid.

2. (a) 4,800,300 pounds; (b) Information not yet available; (c) No refunds paid.

PUBLIC WORKS—CONTRACTS TO LUNAM CONSTRUCTION COMPANY

Mr. Diefenbaker:

1. How many contracts for buildings or projects have been let by the Department of Public Works, to the Lunam Construction Company, in Saskatchewan, since January 1, 1948?

2. What was the amount to be paid to the said company for completion of each of the said buildings or projects?

Questions

3. How much was paid to the said company on each of the said buildings or projects?

4. Did the said company become insolvent? If so, when?

5. How much was owing by the said company for (a) wages; (b) materials; (c) other services, on each of said buildings or projects, since such insolvency?

6. Of the amounts so owing, how much has been paid by the Department of Public Works?

Mr. Fournier (Hull):

1. Eight; Prince Albert, Sask., public building—addition and alterations.

Regina, Sask., R.C.M.P. barracks—repairs and improvements to swimming pool.

Tisdale, Sask., public building—addition and alterations.

Fort Qu'Appelle, Sask., Indian hospital—installation of sewerage disposal.

Langenburg, Sask., new public building.

Fort Qu'Appelle, Sask., new Indian hospital.

Regina, Sask., new building for unemployment insurance commission.

Fort Qu'Appelle, Sask., new public building.

2. Prince Albert, Sask., public building—addition and alterations, $429,087.40.

Regina, Sask., R.C.M.P. barracks—repairs and improvements to swimming pool, $10,947.

Tisdale, Sask., public building—addition and alterations, $46,147.

Fort Qu'Appelle, Sask., Indian hospital—installation of sewerage disposal, $20,470.15.

Langenburg, Sask., new public building, $85,674.

Fort Qu'Appelle, Sask., new Indian hospital, $336,264.79.

Regina, Sask., new building for unemployment insurance commission, $215,560.57.

Fort Qu'Appelle, Sask., new public building, $132,719.60.

3. Prince Albert, Sask., public building—addition and alterations, $429,087.40.

Regina, Sask., R.C.M.P. barracks—repairs and improvements to swimming pool, $10,947.

Tisdale, Sask., public building—addition and alterations, $46,147.

Fort Qu'Appelle, Sask., Indian hospital—installation of sewerage disposal, $20,470.15.

Langenburg, Sask., new public building, $85,674.

Fort Qu'Appelle, Sask., new Indian hospital, $296,062.78.

Regina, Sask., new building for unemployment insurance commission, $180,842.46.

Fort Qu'Appelle, Sask., new public building, $103,686.37.

4. (a) Yes; (b) February 26, 1952.

5. (a) Wages—Fort Qu'Appelle, Sask., new Indian hospital, $2,716.31.

Regina, Sask., new building for unemployment insurance commission, $4,115.75.

Fort Qu'Appelle, Sask., new public building, $1,649.22.

(b) Materials—Fort Qu'Appelle, Sask., new Indian hospital, $61,000.

Regina, Sask., new building for unemployment insurance commission, $58,000.

Fort Qu'Appelle, Sask., new public building, $40,000.

Note—The figures given for (b) are approximate, being based on information received from the suppliers and subcontractors.

(c) Other services—nil.

6. Of the amounts so owing, the Department of Public Works paid the following for wages:

Fort Qu'Appelle, Sask., new Indian hospital, $2,716.31.

Regina, Sask., new building for unemployment insurance commission, $4,115.75.

Fort Qu'Appelle, Sask., new public building, $1,649.22.

C.B.C. SPECIAL PROGRAM TO BRAZIL

Mr. Hees:

1. Did the international service of the Canadian Broadcasting Corporation, broadcast a special program to Brazil from the Plateau hall, Montreal, on December 17, 1952?

2. If so, who authorized this program?

3. Who was the conductor of the program, what is his name and permanent residence address, and what was he paid in (a) salary; (b) expenses, for his services for this broadcast?

4. What orchestra was employed and how much was paid each member for (a) rehearsals; (b) recital?

5. What other expenses were incurred for this special program, giving amount in each case?

6. What was the total cost involved in connection with this program?

Mr. McCann:

1. A special program comprising four works, two by Heitor Villa-Lobos, one by a Chilean and one by an Argentinian composer, were performed on this occasion and records were made for use in broadcasts by the international service to Brazil and other Latin American countries, to be sent for broadcast by individual Latin American stations, and other uses. This arrangement was made as part of the cultural and artistic exchange of the international service with countries, particularly with Brazil, which has brought a number of Canadian artists to that country.

2. The C.B.C. international service.

Questions

3. Heitor Villa-Lobos, world-renowned Brazilian composer and conductor, whose permanent address is Rio de Janeiro. He came to Montreal from New York city at the beginning of an American and European conducting tour. He was paid no salary, but was given his usual conducting fee, which he agreed in this case would cover his travelling expenses to and from New York and while in Montreal, and his rights as composer of his two compositions performed.

4. The orchestra employed was that of les concerts symphoniques de Montreal. Payments were at the regular rates of the American federation of musicians for the services performed, including rehearsals, performance, recording rights, and stand-by conductor's fee.

5. Rental of hall for rehearsals and concert (three days) $150; set-up arrangements for orchestra seating $24; advertising and publicity $517.

6. $24,278.50 covering all costs including recording rights.

INDIAN SCHOOLS—TEACHERS

Mr. Gibson:

1. What qualifications must a person possess in order to teach in an Indian school?

2. What percentage of persons teaching in British Columbia Indian schools hold (a) first-class certificate; (b) second-class certificate; (c) any British Columbia certificate; (d) no certificate; (e) have never attended normal school or any teacher-training course?

3. What is the salary schedule?

4. (a) How many advertisements for teachers in Indian day schools have been inserted by the Indian department in newspapers, during the past ten years; (b) was any mention made of required qualifications; (c) was any salary stated in figures; (d) were any specific schools mentioned?

5. How many months has Masset Indian day school been closed in the past ten years?

6. Must Indian children wait until seven years of age before starting school? If so, for what reason?

Mr. Harris:

1. Teachers are expected to hold a second-class Canadian teaching certificate or better—or equivalent. Because of the shortage of teachers in Canada it has been necessary to accept some applicants who do not hold such certificates.

2. (a) 70·1 per cent; (b) 22·8 per cent; (c) 33·9 per cent; (d) 7·1 per cent; (e) 4·7 per cent.

3. Schedule attached.

4. (a) From 1942 to date 85 advertisements for teachers have been published in 201 newspapers. The number of insertions in each newspaper have not been counted.

(b) Only with reference to salary schedules.

(c) Most of the advertisements stated that a salary schedule was in effect, and in 19 of the 85 advertisements the salary range for teachers holding first- and second-class certificates was stated.

(d) The name of specific schools was mentioned in 21 advertisements.

5. The Masset school was closed during the past ten years as follows:

1945, October to December inclusive; 1946, September to December inclusive; 1947, September to December inclusive; 1950, December. A total of 12 months.

6. No. Indian children are admitted to schools before the age of seven years. However, they are usually not admitted to residential schools until they have reached the age of seven. Except under special circumstances, it is not considered advisable to remove children under seven years of age from their homes for admission to a residential school.

1951 SALARY SCHEDULE FOR TEACHING STAFF—DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

YEAR OF SERVICE

Day School Teachers

Classification and Grade	Certification	1	2	3	4	5	6	7	8	9	10	11	12	13	Increments
		$	$	$	$	$	$	$	$	$	$	$	$	$	$
Teacher, Gr. 1.....	See Regs.....	1,200	1,300	1,400	1,500	1,600	1,700	1,800	No further increments						100
Teacher, Gr. 2.....	2nd Class.....	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500	2,600	No further increments			100
Teacher, Gr. 3.....	1st Class.....	1,900	2,050	2,200	2,350	2,500	2,650	2,800	2,950	3,100	3,250	3,400	3,550	3,700	150
Teacher, Gr. 4.....	See Regs.....	2,200	2,350	2,500	2,650	2,800	2,950	3,100	3,250	3,400	3,550	3,700	3,850	4,000	150

Day School Principals

		$	$	$	$	$	$	$	$	$	$	$	$	$	$
Principal, Gr. 1.....	1st Class.....	2,700	2,850	3,000	3,150	3,300	3,450	3,600	3,750	3,900	4,050	No further increments			150
Principal, Gr. 2.....	1st Class.....	2,850	3,000	3,150	3,300	3,450	3,600	3,750	3,900	4,050	4,200	No further increments			150
Principal, Gr. 3.....	1st Class.....	3,150	3,300	3,450	3,600	3,750	3,900	4,050	4,200	4,350	4,500	No further increments			150
Principal, Gr. 4.....	Secondary School	3,300	3,450	3,600	3,750	3,900	4,050	4,200	4,350	4,500	4,650	No further increments			150

(Salaries are payable in ten monthly instalments)

NOTE: The salaries listed are supplemented by northern allowance and/or living accommodation, where teachers are stationed in northern or isolated areas. Where the allowance is paid and living accommodation provided the amount of the allowances is reduced.

Questions

OLD AGE AND BLIND PENSIONS—PAYMENTS BY PROVINCES

Mr. Laing:

1. How much was paid out by each of the provinces in 1951 calendar year for the provincial share of pensions to the aged and blind under the provisions of the Old Age Pensions Act?

2. How much was paid out by each of the provinces in the calendar year 1952 as the provincial share of payments made under the provisions of the Old Age Assistance and Blind Persons Acts?

Mr. Martin:

	1. Provincial share of payments (a) under the Old Age Pensions Act for the calendar year 1951	2. Provincial share of payments (b) under the Old Age Assistance Act and the Blind Persons Act for the calendar year 1952
Alberta	$ 2,096,988.69	$ 893,763.08
British Columbia	3,651,724.84	1,567,254.02
Manitoba	2,106,894.52	934,032.21
New Brunswick	1,967,953.25	1,074,333.99
Newfoundland	1,408,322.24	650,072.68(c)
Nova Scotia	2,351,236.03	831,764.51
Ontario	10,621,361.58	4,307,509.01
Prince Edward Island	342,485.88	62,341.01
Quebec	8,945,230.44	6,242,236.85
Saskatchewan	2,058,270.80	925,272.23
Total	$35,550,468.27	$17,488,579.59

(a) The provincial share is calculated by taking one-third of the amount paid by the federal government to the province for the federal share.

(b) The provincial share of old age assistance is the same as the federal share, the province and the federal government each paying 50 per cent of the amounts paid out for assistance. The provincial share of the cost of blind allowances is calculated by taking one-third of the amount paid to the province by the federal government as the federal share.

(c) Newfoundland paid old age assistance from April 1, 1952.

BONELESS BEEF

Mr. Wright:

1. What amount of boneless beef was purchased under reference B.2 page 28, an order issued by the agricultural prices support board, October 7, 1952, contained in sessional paper No. 165A, tabled Monday, January 19, 1953, in each of the provinces listed in that document?

2. What were the grades of beef so purchased?

3. Is the agricultural prices support board still purchasing boneless beef under this order?

4. What are the corresponding commercial grades on the livestock market reports to the M grades, grades D-1, D-3, and S grades mentioned in the reference B.2, on page 28 of the above sessional paper?

Mr. McCubbin:

1. British Columbia, 140,698 pounds; Alberta, 405,664 pounds; Saskatchewan, 143,280 pounds; Manitoba, 1,318,403 pounds; Ontario, 1,044,711 pounds; Quebec, 2,576,183 pounds.

2. M, S, D-1 and D-3.

3. No.

4. Carcass grade; M, D-1, D-3, S.

Corresponding grade on livestock market reports; canners and cutters, common steers and heifers, common cows, bulls and stags.

IMPORTS OF CUBAN RAW SUGAR

Mr. Huffman:

1. Does the federal treasury benefit from the raw sugar imported into Canada under the special arrangement between Cuba and Canada?

2. If so, what is the estimated amount of the benefit to the treasury, during the period of the agreement?

Mr. McIlraith:

1. Yes; the respective rates of duty vary slightly according to the quality of the sugar but in a typical case an importation of Cuban raw sugar would be dutiable at $1.35798 per 100 lbs. while a similar importation of commonwealth raw sugar would be dutiable at $0.30664. In sales to Canada, commonwealth sellers normally obtain approximately 85 cents per 100 lbs. more for their sugar than Cuban suppliers. Therefore, when duty is rebated to equalize the landed cost at refineries, approximately 85 cents out of the $1 margin of preference is retained by the treasury.

2. On the 358,000 short tons of raw sugar which will be imported from the three countries concerned during the period of the agreement, there will be an estimated $6,000,000 of additional revenue to the treasury after payment of rebate to prevent any increase in landed cost to Canadian refiners.

FARM POPULATION AND INCOME

Mr. Fair:

1. What percentage of Canada's population was actually living on the land and deriving their living therefrom in the year 1952?

2. What percentage of the national income did such persons receive?

Mr. McIlraith:

1 and 2. Information not available for 1952. The nearest available information is as follows:

1. As of June 1, 1951 (census date) the population living on farms was 20·8 per cent of Canada's total population.

2. In the calendar year 1951 the net income received by farm operators plus wages and income in kind received by farm help was 13·6 per cent of the national income.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FIRES ON NATIONAL DEFENCE PROPERTY

Mr. Cardiff:

1. How many fires have occurred on property belonging to the Department of National Defence since June, 1950?

2. Where were these fires?

3. What was the estimated loss in each case?

4. Was the cause determined in each case, and, if so, what was the cause?

5. How many prosecutions have been instigated, as a result of fires to national defence property, since June, 1950?

NATIONAL DEFENCE—PROPERTIES LEASED

Mr. Fraser:

1. Did the Department of National Defence lease any properties in Canada, during the year 1952, for military or other purposes?

2. If so, (a) where are these properties located; (b) on what dates do these leases commence; (c) what amount is paid per month for each lease; (d) were these places in continuous use from the start of each lease?

SOLDIER SETTLEMENT BOARD—PURCHASE OF LAND

Mr. Shaw:

1. Under what date did the soldier settlement board of Canada acquire, by purchase, certain lands situated in township 44, range 25 west of the 4th meridian?

2. From whom was the above land purchased by the soldier settlement board?

3. Were mines and minerals on the said lands acquired by the soldier settlement board at the time of the land purchase?

4. Are such mines and minerals now held in the name of any department of the federal government?

5. Has consideration been given to the transferring of the mineral rights to those veterans who purchased land in township 44, range 25 from the soldier settlement board?

C.B.C. INTERNATIONAL SERVICE

Mr. Hees:

1. Who is the head of the international service of the Canadian Broadcasting Corporation?

2. What salary does he receive per annum?

3. What was he paid in travelling or other expenses, during the calendar year 1952?

4. Is he employed on a contract basis? If so, when does this contract terminate?

Mr. Bradley: Return tabled.

IRRIGATION—SOUTH SASKATCHEWAN RIVER

Mr. Knight:

1. What was the total amount spent by P.F.R.A., since and including 1942 to the present date, upon studies or surveys of the South Saskatchewan river project?

2. What amount was spent in each of the years covered by question 1?

3. On what date was the report of the royal commission on the South Saskatchewan river project or any information as to the contents of the report released (a) to the press; (b) to the governments of the prairie provinces; (c) to the House of Commons; (d) for distribution through their mail boxes, to the members of parliament?

Mr. McCubbin: Order for return.

Mr. St. Laurent: Yes. I think parts Nos. 1 and 2 should be made orders for return. As to part No. 3 of this question, the answer is that the report of the royal commission on the South Saskatchewan project was released to the press on January 19 when I tabled it in the house. It was sent to the governments of the prairie provinces by the clerk of the privy council on the same day. When I tabled the report I had been assured that there were available sufficient copies to provide one for every member of parliament, and I so stated in the house. When the hon. member for Peace River (Mr. Low) inquired about copies for members, I was surprised to learn that they had not in fact reached all hon. members and I made inquiries about the matter. I found that, through some unfortunate hitch with regard to assembling, packaging and conveying to the House of Commons, there had not yet reached the distribution office a number sufficient to supply a copy to all members of this house and the other house. I can assure hon. gentlemen that that matter was immediately attended to because we realize—as all those who have to do with distribution must realize—that, when a public document is tabled and distributed, those who are first entitled to get it are the members of parliament.

Education

MOTION FOR PAPERS

IRRIGATION—SOUTH SASKATCHEWAN RIVER

Mr. Knowles:

For a copy of any communication received by the Prime Minister or the federal government from the Saskatchewan government, or any minister thereof, with respect to advance information concerning the contents of the report of the royal commission on the South Saskatchewan river project, and also a copy of any reply to such communication.

Mr. St. Laurent: Mr. Speaker, I think this motion might be adopted. As far as I have been able to ascertain, the only communications were between Mr. Nollet and myself. I now table the telegram I received from him and the answer I addressed to him on January 15.

EDUCATION

EQUALIZING OF OPPORTUNITY—ASSISTANCE TO PROVINCES

Mr. R. R. Knight (Saskatoon) moved:

That, in the opinion of this house, the government should take into consideration the advisability of expanding and equalizing educational opportunity across Canada by the granting of financial assistance to the various provinces for that purpose.

Mr. Speaker, I shall first of all anticipate the arguments of the opponents to the subject matter of this resolution by stating that we in this party would wish—and in fact would insist—that such federal aid as that visualized in the terms of the resolution should in no way involve any interference with provincial jurisdiction over education. Such aid as I visualize would be simply an extension of the extensive aid which is now rendered by the dominion government to education in the provinces and which has been such a distinct benefit to the provinces and indeed to the nation. This aid has been received by all the provinces of Canada, including those which have been most insistent upon their retention of provincial rights. Nowhere has it been argued—and certainly not in this house—that the aid which has already been extended in that matter has in any way interfered with provincial jurisdiction over education, particularly in the vital matters of method, administration and curriculum. The aid to which I have referred has been extended with respect to vocational training, technical training, scholarships in research and the like. I shall refer only to those now, but I have in my hand a sessional paper which shows that vast amounts of money have been expended by the federal government in the provinces for education in other directions.

This is not the first time, Mr. Speaker, that I have propounded these arguments.

[Mr. St. Laurent.]

For the sake of those who are actually interested in this matter and would care to do some research on it, I would refer to the debate which took place the last time I moved this resolution, namely on March 19, 1952, at which time the debate continued on March 20. Today, instead of bringing forth those rather academic arguments—I think they were once so characterized by the Prime Minister (Mr. St. Laurent); I have brought them forward year after year and the house must be familiar with them all—I want to deal rather with the effect which this resolution is having upon the opinions of the people in the country with regard to it. When I shall have finished, Mr. Speaker, I think you will decide that I have support in some rather unexpected quarters.

At any rate, in my speech on the date that I have mentioned, I dealt with the alarming situation in education which has developed in Canada. The last time I moved this resolution it was talked out by a Liberal member of this house. The speech itself which opened the debate dealt largely with the shortage of teachers, the dropping off in the number of students enrolling in the teaching profession, and the great increase in the enrolment in both elementary and secondary schools. At the time of the debate I presented figures to substantiate my arguments in those directions. Those figures I obtained from the dominion bureau of statistics and other reliable sources. These things are of interest surely to all Canadians. I confess that my own interest in the matter is the welfare of all Canadian children, and I lay the emphasis upon the "all". As reported at page 590 of *Hansard* of March 19, 1952, I stated:

The principle behind the resolution is that all children in Canada should enjoy equality of opportunity of education irrespective of their geographical position, of the country of origin of their parents, or of their economic status. That should be denied to no child in Canada, irrespective of where he may live and irrespective of his origin.

My aim is a degree of equality of educational opportunity for all Canadian children. May I say to one or two of my friends who need to be told, that I have no desire to ask for uniformity in education or equality of education; I am asking for equality of opportunity in education, which is a vastly different thing.

In the speech, the date of which I have mentioned, I produced evidence of glaring inequalities of opportunity in education all across this country. That inequality is due to the difference in the ability of the provinces to raise funds for educational purposes. In the particular tables of figures

from the dominion bureau of statistics which I quoted at page 591 of *Hansard* in that debate in regard to the amount spent per child by the various provinces upon education, I find that the expenditure per pupil on public, elementary and secondary education on an average daily attendance basis in 1949 is as follows: British Columbia spent $244; Alberta spent $201; Saskatchewan, $174. These are the three highest, as compared with the three lowest Newfoundland, $77; Prince Edward Island, $83; and Nova Scotia, $114. My hon. friends will agree with me that there is not much equality of opportunity depicted in these particular figures.

Many children are having to put up with unqualified teachers and, worse still, with persons who are sitting in a chair presiding over the school and who are not teachers at all.

An interesting pamphlet has been published lately, I think in preparation for education week, by the Canadian education week national headquarters at Ottawa. It says this:

> The teacher is the most important single factor in the success or failure of our educational system. Canada needs to have more of her best young people enter this profession. We should be concerned about retainment as well as recruitment. We can help by supporting measures that will elevate the prestige of this profession. Better teacher education, better salaries, improved working and living conditions are essential.

We cannot have good teachers unless we are prepared to provide the above conditions. At the time of the debate last year it was estimated that the teacher shortage—and this is serious—by 1955 would have climbed to 2,500, and at the same time the normal school enrolment had dropped by 20 per cent in a single year. The pamphlet also mentions as well as the teacher shortage another imminent problem, and that is the increasing pupil enrolment. I shall quote that part of the pamphlet. It says this:

> The swelling flood of school enrolments, having filled our elementary grades to the bursting point in the immediate post-war period, is now about to descend on the higher grades and secondary schools. We must be ready for this influx or our crowded schools will be literally swamped and the teacher shortage, already serious, will become critical.

In this pamphlet there is a chart. I shall not quote the passage, but I shall give the figures of the estimates of secondary school enrolment in the years from 1952 to 1964. They have given 1952 figures of 300,000 children enrolled in the secondary schools, and the estimated figure for 1964 is 620,000, or a secondary school enrolment which will double itself in the next twelve years. I ask you, sir, whether or not under our present conditions of education in the provinces, and particularly in some of the provinces, we are now equipped to deal with that condition. It is an interesting thing, and I think it is based on the province of Ontario, to look at the commentary by Francis Oakes Baldwin of Ottawa. This commentator quotes J. T. Stubbs, president of the Ontario Secondary School Teachers' Federation, as follows:

> J. T. Stubbs made it clear that the present shortage is just a taste of what is to come—and he made it clear that he was not speaking only of Ontario. He said: "We are resting in a momentary calm at the heart of an educational hurricane—the most alarming teacher shortage ever to face the secondary schools of this province.

I shall not continue to read it, but it goes on to give the figures on the elementary schools and the increases therein. He calls it the swollen attendance in our public schools.

Now, sir, I suppose it is a condition of our history that most of the aid which has been given by this government to education in this country has been extended in a rather underhand and furtive manner. I would suggest that if the government is not prepared to accept this resolution—and I have no doubts about that particular matter—then there are one or two ways in which it might continue this furtive aid to education without making it, as it appears to be today, a political issue. I am thinking of one or two things; I am thinking of the Department of Citizenship and Immigration, for example, where we have great numbers of people coming into this country from other countries and bringing their children with them. The Department of Citizenship and Immigration, without saying too much about it, has had to bolster the finances of suburban parts of cities and towns, mining camps and so on, so that schools may be built for the children of those new citizens. I suggest that that is the way that the government could continue to do this thing which it is not supposed to do. In a matter of teachers' training, I would suggest that if we are to get enough teachers in the immediate future we shall have to do something, and I would suggest that the government might even try something which they could very well do without having any suspicion or even an argument raised against interference with provincial autonomy in that field. The teachers' training would still remain in the hands of the provincial authorities themselves and the federal government could stand by with a little financial aid.

I could go on and say a word or two about the same sort of thing in the Department of National Health and Welfare, but I want

to leave that phase of the question for a moment. As I have said, federal aid to education has already been very general and very generous in spots, and I think almost wholly successful. There is a long list of things in which the government has taken part. As a matter of fact, the federal government is up to its neck in aid to education now. I hold in my hand sessional paper 184, tabled in the House of Commons on May 2, 1952, which shows that millions of dollars have been spent. The list is too lengthy to read. There is apprenticeship training; youth training; supervisory training; training of persons to fit them for the armed forces. That is a sad confession. They have to educate people in order to fit them for the armed forces; training of persons to fit them for gainful employment; vocational training for discharged members of the armed forces; vocational correspondence schools; payments to provinces for capital expenditures for education, and so forth; Indian education. There are dozens of places where millions of dollars are being spent at the present time for the purpose of education.

We have of course the recent payment, and the thing which perhaps I am most thankful of all for, namely, the present aid to the universities of Canada, without which aid I see no other alternative but a breakdown in our higher education in the universities of Canada. I hear there is some talk of further expansion of scholarship grants and some federal aid to the children of veterans.

Well, sir, I am in favour of it, but I would suggest that what is good for the children of veterans is also good for other people's children.

Those who have supported the government in its stand have, for want of a better argument, resorted to what I believe is a false one, that the whole matter is unconstitutional. Again, I challenge anyone either in the house or outside of it to say that the grants I have listed have taken away, in any degree, any of the jurisdiction of the provinces over education. Neither has there been any actual interference by federal authorities either with the administration or with the curriculum of the schools.

In various places—seldom, it is true—I have been accused of raising this argument for some ulterior motive. It has been said that I have done so for purposes of political gain. Let me assure my hon. friends that I was working for federal aid for education long before I took an active part in politics, or ever saw this House of Commons.

Let me draw to the attention of the government and the house just how this issue of federal aid to education is considered throughout the country. Up to this time I have tried to keep this matter from becoming a political issue, and I have placed on the records of the house all the non-political arguments I could bring to bear. I suggest now however that the subject is likely to become a political issue. I fancy it will be in my part of the country during the next election campaign; but if it is, I shall not accept responsibility for it.

I can show from files on my desk that the subject matter of this resolution has been favoured by branches of the I.O.D.E., Legion organizations, labour organizations, agricultural co-operatives, and the Canadian Trustees Association. This is a matter which is the concern of many people throughout the country.

The Canadian School Trustees Association has been particularly active. At the very moment I speak they are aiming to collect between $30,000 and $40,000 to be spent on research in this very matter. They have employed Dr. LaZerte, one-time dean of education in Alberta, to carry out research; and the Canadian Teachers Federation will of course support that project. I do not know whether they have subscribed financially to the campaign, but I believe they are going to institute a similar research program, if they do not join the Canadian School Trustees Association in the other one.

To support that point I should like to read from a pamphlet issued by the Canadian School Trustees Association. It bears the title "Federal Aid", is taken from the Canadian Teachers Federation news letter, and states:

> The Canadian Teachers Federation will continue its campaign for education and in this connection will give financial support and actively co-operate with the Canadian School Trustees Association in their research project under the direction of Dr. M. E. LaZerte. This outstanding educationalist has accepted a two-year contract with the trustees to do a fact-finding survey of educational finance with particular reference to need for federal aid.

The fact of the matter is—and this is the most important thing I shall say today—that the expenses of education can no longer be borne by municipalities at the local level. These municipalities turn to their provinces for aid; and in that I wish them all success. I am in favour of educational aid from every source that it can be obtained. But some of the provinces are at the end of their financial tether. Local taxation upon real estate can no longer bear all the brunt. The basis of taxation for purposes of education must be broadened; and the federal government is the only institution of which I am aware

with the resources necessary to make possible the equalization of educational opportunities.

I say that federal aid is the only aid by which we will be able to lower the tax rate on local municipalities. This applies particularly to suburban municipalities, where there has been a great influx of new population, where there has been new building and there is a necessity for new schools. In that connection federal aid might well take the form of the payment of expenses in connection with the building of those institutions.

I could give dozens of examples. Here is one. Only yesterday I received a newspaper clipping—and I am sorry I cannot give the name of the publication although, from the appearance of it, it would seem to be an Ontario agricultural paper. It is headed "School Tax Protested at Federation Meeting". The federation to which reference is made is the Ontario federation of agriculture, before whom Mr. Heatherington made a report in which he said:

> Because of the tremendous burden imposed on rural municipalities, due to the need for expansion of present educational facilities, we strongly suggest that the full capital cost of all new school buildings should be borne by the provincial and/or federal governments.

And at that meeting it is indicated that a Mr. Laventure said that he wanted action, "even if it meant a fight." I do not know with whom he was going to fight. At any rate this gentleman who lives in McNab township, county of Renfrew, said that his school tax alone was $185. Then the article goes on to say:

> The average one hundred acre farm in his township paid $60 to $80 in school tax, while the village dwellers paid $6 to $8. Farm property pays 10 times as much school tax as non-farmers pay on their dwellings, he said.

I offer this as some evidence as to what people are thinking concerning the source to which they should turn for relief of this condition.

As I said a moment ago, I have tried to keep the discussion non-political, but have warned the government that it could and probably would become political. My submission is that the Prime Minister (Mr. St. Laurent) made it a political matter when, in reply to a question by the hon. member for Winnipeg North Centre (Mr. Knowles), who was requested by some of the local school people to support an application for federal aid for education—

Mr. Knowles: The Winnipeg school board.

Mr. Knight: —the Prime Minister said, as reported at page 1355 of *Hansard* for November 27, 1951:

> While I have the responsibility as the head of the government I would have to ask my colleagues to join with me in refusing to consider such a request.

Then, I have referred to what I said on Friday, March 19, 1952, as reported at page 593:

> I should like to warn this government, in terms that it understands, that in the past five years a tremendous demand for federal aid to education has been created.

And again, on the same page:

> I warn the government that so far as we in western Canada are concerned, ninety per cent of the people who are represented by the Liberal members from Saskatchewan are in favour of federal aid to education. Up to the moment I have not heard much support for that cause from those particular backbenchers.

When I said that I was talking about the backbenchers from Saskatchewan in the Liberal party. We are approaching a federal election, and the government should know that the people of this country in most places support the general terms of this resolution. It is fair to say that the party of which I am a part has supported it unanimously over the years, and I think the same can be said for the Social Credit party. With only a few reservations, where some doubts have been expressed about provincial autonomy it can be said, too, of the Conservative party. And the reservation in connection with provincial autonomy is a perfectly legitimate one; we are making it ourselves.

But I have found that our Liberal friends supporting the government, so far as their votes in the house, or their words in debate are concerned, have been diametrically opposed to it. I say this does become a political issue when the opposition to this measure comes from the Liberal benches, is led by the Prime Minister, and three outstanding ministers of the government, among whom is the one now looking in my direction, the Minister of Justice (Mr. Garson). He and the Minister of Agriculture (Mr. Gardiner) and the Minister of National Health and Welfare (Mr. Martin) appear to be the men who were chosen to lead the opposition of their confrères against this resolution. So I state that it is somewhat of a political issue today. So far as the backbenchers are concerned, they of course voted against the resolution, having taken their cue from whatever minister happened to be leading the fight against it on the particular day. I have made statements that the people in my own province and the people of constituencies represented here by

Liberal members are about 90 per cent in favour of the terms of this resolution. Naturally I have no statistics and cannot prove that opinion. Only one Liberal backbencher, the hon. member for Meadow Lake (Mr. Harrison), actually spoke against the resolution and his speech is found at pages 644 and 645 of *Hansard* for March 20, 1952. In reply to my assertion with respect to the 90 per cent he said, as found at page 645:

I can say that I never had anyone mention to me federal aid for education.

That was his reply to my assertion that there was a lot of interest in the subject. Then he went on to say with respect to my figure of 90 per cent:

I would say that the only 90 per cent figure in that area I covered would be the number of those who are just plumb—

That is not my word. He said "plumb".

—against that provincial government. They are going to change it—and they are going to change it this summer.

I would suggest that if my hon. friend is no greater authority upon federal aid to education or education generally than he was a prognosticator of the results of that provincial election, then he does not know too much about it. My hon. friend of course did not debate the resolution at all. He simply loosed a wild tirade against the provincial government and, may I say, Mr. Speaker, that comes pretty ill from a member whose district has the highest equalization grant given by the province of Saskatchewan. In that whole federal constituency, as was later brought out by Mr. Lloyd, the minister of education, 72 per cent of the total cost of education in that member's entire territory is furnished today by the provincial government of Saskatchewan.

An hon. Member: How?

Mr. Knight: I hear some murmurs from some of my backbench Liberal friends. They apparently like this so I will give them more of it. The remarks of the hon. member for Meadow Lake were deeply resented throughout the province and I bring this letter to the attention of the house to show what the people of the country really think about this resolution for federal aid to education. The Saskatchewan school trustees association sent the hon. member a letter which he said he would put upon *Hansard*. For some reason he neglected to do that. He rose on a question of privilege with respect to the letter on March 31, as found at page 944 of *Hansard*.

An hon. Member: What year?

Mr. Knight: 1952. The hon. member was interrupted in his remarks by the hon. member for Rosetown-Biggar (Mr. Coldwell) who asked the following question:

Would the hon. member put on the record the letter to which he is referring?

The hon. member for Meadow Lake said, "I shall be pleased to do so", but somehow or other in the heat of argument he neglected to put the letter on the record, and therefore it is my intention to do it for him today. The letter had enclosed with it a resolution passed at the provincial executive meeting of the Saskatchewan school trustees association held in Saskatoon on March 22, 1952. The resolution reads as follows:

Whereas from press reports it appears that Mr. J. H. Harrison, M.P., of Meadow Lake, Saskatchewan, when speaking in the House of Commons, stated that Saskatchewan had "the worst situation in education to be found anywhere in Canada" and further "the reason Saskatchewan had no teachers was that the larger school units—

I will leave out that part.

Some hon. Members: Read it all.

Mr. Knight: All right.

Mr. Studer: Saskatchewan spends less money on education than any other province.

Mr. Knight: I continue:

—did the hiring and they did not go into the competitive market";

And whereas in our opinion—

These are the words of the resolution of the Saskatchewan school trustees' association, a non-political body.

—these statements are false and malicious and serve only to create a grave injustice to the teachers and school trustees of the province of Saskatchewan and to educational progress generally in our province.

And whereas it would appear from these statements that Mr. Harrison is ignorant of the true situation within the province of Saskatchewan and even of the situation in and benefits obtained by his home town of Meadow Lake.

Now therefore be it resolved that the secretary be instructed to write Mr. Harrison, forwarding a copy of this resolution and requesting him to withdraw his statement so made in the House of Commons and to apologize for the injustice thereby created to the end that the stigma which he has attached to those interested in education in our province, including teachers and school trustees individually and this association, be removed.

That resolution was carried unanimously and forwarded to every member of parliament representing a seat in the province of Saskatchewan. So much for my friend from Meadow Lake. I said that the matter was to some extent becoming a political issue, and I suggest that the hon. member helped to make it so when, in attempting to defend himself, he wrote a letter to an organization of teachers in his own territory who had asked for an explanation as to why he, their member, had opposed my resolution for federal aid to education. He wrote an amazing letter

which is worth a lot just as a source of amusement. My friend thought it was a good letter so he sent it to the North Battleford *Optimist* and the Turtleford *Times*. I should like every hon. member to listen to this. It shows the methods of these people. He said:

As a Liberal member here, Mr. Knight's resolution to me—

This is his explanation of why he voted against it.

—was nothing more nor less than a C.C.F. motion. It was put in there expressly to deceive people.

I challenge the Minister of Justice or anyone within the sound of my voice to suggest to me face to face in the house that I have moved this resolution deliberately for the purpose of deceiving people. That is the kind of thing we get on the hustings these days. Out west even Liberal constituents believe in federal aid to education but apparently the federal Liberal members of parliament do not. I want to relate another little incident. My very good and personal friend, the hon. member for Kindersley (Mr. Larson), came to Saskatoon a little while ago and I suppose he thought he should say a word or two about his M.P. host while he was there. He met a body of Liberals, but I do not know whether it was the Saskatoon or Saskatchewan Liberal association. At any rate, he met some of them. My hon. friend was hardly fair in what he said because, according to the press report, he insinuated that I was prepared to accept federal control over education, something which the hon. member has heard me deny time and time again in this house, or else he has read it in *Hansard* if he has done me the honour to read my speeches. As an intelligent member of parliament, I expect that the same hon. gentleman has done me that honour.

He spoke in Saskatoon, and it is most amusing. I said I would show that there was support for this resolution in very curious places, so I am going to read a short extract from the Saskatoon *Star-Phoenix* dealing with the meeting of the Liberal association held on October 9, 1952. It is as follows:

Another resolution dealing with federal aid to education also touched off warm debate and finally was passed in an innocuous form.

That "innocuous" is good.

A. G. Lamarsh originally urged that the meeting go on record as endorsing federal aid to education and said it was inevitable that it would come eventually.

Then the paper quotes him as saying:

I think we should be climbing aboard the bandwagon—

How like my Liberal friends.

—and taking some of the credit for it, and not let Mr. Knight (R. R. Knight, C.C.F., M.P. for Saskatoon) steal our thunder.

"Our thunder". Whose thunder? It makes me think of Mr. Churchill's famous expression about "some chicken—some neck".

There was another gentleman present at this Liberal meeting who said:

It would be a catastrophe if the federal government ever came to a point where it controlled education.

It goes on:

Mr. Larson said he did not think even Saskatchewan wanted the federal government to take over education and there was already a good deal of criticism of the federal government for its taxation policies—

He felt that federal aid to higher forms of education, such as the national research council, was all right, but if it was granted to primary and secondary education it would cut across a lot of religious and other barriers. He added that he thought—

And this is significant.

—Mr. Knight will run into a lot of trouble over the issue, and he has received very little support for his motion to date.

—in spite of these appeals and letters that I have had from organizations all over this country.

Then I will give you a typical Liberal resolution which comes at the end.

Mr. Lamarsh finally changed his resolution to one asking the executive to investigate the problem with a view to bringing in a future resolution if it was believed advisable.

Shades of Mr. Mackenzie King!

An hon. Member: Liberals all.

Mr. Knight: Now, sir, I have finished but I would just like to put on the record, so we may know what we have been talking about, a paraphrase of a paragraph of my speech last year. I have put forward certain conclusions. Firstly, I have set forth as a matter of premise the democratic principle that every child in Canada should have as a right equal opportunity of education with every other child in Canada. Secondly, I have shown that the education system is riddled with inequalities and the cause of such inequalities is largely financial. Thirdly, I have shown that municipalities in certain provinces, and those provinces themselves, are unable to cope with the expenditure needed to bring about that equality.

Finally, asserting that such equality of opportunity is a subject of national concern, I urge that the dominion government, the only body with the necessary financial resources, while safeguarding the jurisdiction of the provinces over education within their own boundaries, should proceed forthwith to inaugurate a system of federal aid to education in Canada.

Here is a last paragraph, this time from my speech of May 22, 1950, which I would

like to put on the record. This is not a wishy-washy innocuous resolution put because somebody thought it is necessary to get on the bandwagon. Here is what I said and by it I am prepared to stand or fall:

> The birthright of every child is a minimum standard of education, based not on the wealth of the parent, of the local school district, or even of the province, but on the wealth and the resources of the whole country.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker—

Some hon. Members: Adjourn the debate.

Mr. Garson: No, I am going to disappoint my hon. friends, for I am not going to adjourn the debate.

I am a little bit embarrassed, Mr. Speaker, as a minister, in rising so soon to take part in the debate on a resolution moved by a private member on the opposition side. I do so only because I have another engagement this afternoon which I made long before I had any idea that this subject would come up now. I must get away to attend if I possibly can.

I would like to compliment the hon. member for Saskatoon (Mr. Knight) on the presentation which he has just made, which I am sure from his standpoint at least is a fair one. With respect to some of the main points which he has made I do not think there will be any disagreement on the part of any member of this house. No one will disagree with the splendid rhetoric with which he closed his remarks to the effect that every Canadian child should have as far as possible equal opportunity of adequate education. But I would point out that in this matter in Canada, with the peculiar set-up we have, the means to these very desirable ends which he has enunciated is of very considerable importance. I would point out, moreover, that every competent body of specialists that I know of which has investigated this problem of the best method of providing adequate support for primary education has reached conclusions which are quite different from those which are pressed by my hon. friend.

Mr. Graydon: Not the municipal experts.

Mr. Garson: Not necessarily the municipal experts. I am referring to the body which was set up to deal with this very problem in the 1930's when it was a much more acute problem than it is at the present time—the Rowell-Sirois commission set up in 1937. That was the latter part of the depression when the problem of providing a very much lower standard of expenditure for primary education was much more acute than it is for us now to provide a much higher expenditure. This was one of the main problems with which the provinces, the municipalities and, as related to them, the federal government, were faced.

That body dealt specifically with this very question and made certain comments upon it to which I shall refer in due course. Following that there were conferences between the provinces and the dominion, which, after some ups and downs, eventually culminated in the present tax agreements between those two levels of government. Throughout all of those proceedings the desire and the objective was to place all of the provinces in a position where they would be able to discharge their constitutional responsibilities for, amongst other things, primary education—without any interference in the discretion they would exercise in discharging their responsibilities in their own field of jurisdiction.

The present financial arrangements between the dominion and the provinces—under the tax agreements—are the result of the recommendations of the Rowell-Sirois report to put into the hands of the provincial governments, from federal sources, grants of income which the provinces themselves can spend as they choose. Whether they wish to spend it for primary education or for the building of roads or for any other provincial function is their choice. In other words, the central purpose was to provide all of the provinces with financial means of discharging their responsibilities—leaving with the provinces the sole discretion of how they should do that. Whether they spend more money on primary education and less on roads and the like is entirely up to them.

It is in the light of these decisions and recommendations, recommendations by the Rowell-Sirois report and decisions reached between the provincial governments and the federal government, to which only the other day the province of Ontario subscribed, as the ninth province to do so, it is under these arrangements that the provinces are in a better position to make provision for primary education, among other things.

The hon. member for Saskatoon (Mr. Knight) was fair enough in his remarks to admit that the federal government gives large educational grants to the universities and training schools which are set up for specific purposes under the joint auspices of the federal and provincial governments. I am sure that he would be the first to admit that these arrangements represent the willingness of the federal government to make contributions to the provincial governments in all of those cases in which it is possible to do so without interfering in any way with the provinces' exclusive control over primary education

In support of what I have just been saying, I should like to quote from the Rowell-Sirois report, because I do not know of any other place in which these principles are more lucidly set forth. I should like to quote from volume II of the report, page 50, to this effect:

We have already said that the instruction of the young during their formative years is a matter which the provinces must continue to control (subject, of course, to the safeguard for religious minorities provided in the British North America Act and amendments). A free hand in something so important to the social and cultural life of the people seems to us to be vital to any provincial autonomy worthy of the name, and it is obvious that any attempts to alter the existing arrangements would meet with powerful opposition and would provoke profound resentment.

I suggest that the hon. member for Saskatoon, as a school teacher, must be assumed to be familiar with some Canadian history. I hope he is. As a school teacher, and as a member of this house, I am sure he will not disagree with that principle enunciated in the Sirois report.

I suggest, Mr. Speaker, that it is quite obvious to anyone who stops to reflect upon this matter that it is one thing for the federal government to make grants, for example, to the universities which are self-governing and self-contained. They exercise their own discretion as to the manner in which those grants shall be spent. Any government, whether provincial or federal, knows that in making such grants to universities it has given up any kind of residual control that it might wish to exercise. To argue, because it is proper, in the light of Canadian history, to make grants to institutions of that kind, that it is equally proper to make grants to provincial governments earmarked for primary education, is a totally different matter. It is impossible to draw any proper analogy between the two types of grants.

This is indicated by a further comment from the Rowell-Sirois report. At page 51 they say:

Many representations have been made to us that financial help should be extended by the dominion to the provinces for various purposes, such as scholarships, technical training, grants to be used for general educational purposes provided that the provinces did not reduce their own expenditure on education. These representations appear to have been inspired largely by consternation—

Remember that this was back in the time when provincial expenditures for education were a great deal lower than they are now.

—at the reductions in educational expenditure which certain provinces, under the stress of the depression, have felt compelled to make. It has even been contended that the dominion is bound to see that there is equal educational opportunity (as far as is practicable) for every Canadian child. We have the deepest sympathy for these views which have been advanced by many of the organizations most closely associated with education in Canada, and we share to the full the regret that, especially in recent years, education has been terribly neglected in many of the poorer parts of the country and that wholly disproportionate sacrifices have been imposed on those who have devoted their lives to this important public service. But the representations appear to us to go too far in denying the right of each province to decide the relative importance of expenditure on education and expenditure on other competing services. It is our hope—

Now, they are enunciating here a principle which is one of the cardinal principles of the Rowell-Sirois report, which is one of the basic principles of the financial arrangements which have been reached between the federal government and the provinces, and which is the only principle upon which it is possible, in these financial arrangements, to have proper respect for provincial autonomy.

—that provision can be made for the fiscal needs of all provinces, including within those needs provision for the education of the young. Our financial proposals aim at placing every province in a position to discharge its responsibilities for education (on a scale—

Now, this is an important consideration for my hon. friend to listen to. The taxpayers of this country will certainly listen to it.

—that is within the means of the people of Canada) if it chooses to do so.

If we say, as the motion does, that the federal government should make grants to the provinces to supplement their expenditures for primary education at the present time when their budgets are certainly in a very buoyant condition, if we say it is still necessary to supplement them at this time, and the proposal is—I am sure my hon. friend will agree with this—that sums which would reach large amounts should be paid to the provinces for that purpose and earmarked for primary education, no one with any practical knowledge of public administration would say that there was not a clear responsibility upon the federal government to exercise a reasonable degree of supervision to make sure that the moneys voted by parliament, allocated for purposes of that sort, are actually expended for the purposes for which they have been given to the provinces.

Mr. Knowles: Will the minister permit a question?

Mr. Garson: Yes.

Mr. Knowles: Would he say that what he has just pronounced applies to the case of the $250,000 which I am very glad the federal government is making available to the school board of Winnipeg for building a school in the city of Winnipeg in the Fort Osborne district?

Mr. Garson: If my hon. friend will investigate the very matter to which he refers, he will find that the department of government

which makes the grant to build that school does satisfy itself that the school meets certain standards and that it is properly built. I would point out to my hon. friend that if he has any idea of Canadian history he will surely be able to distinguish between that case and the case of moneys turned over for the payment of teachers and the like in the field of primary education, involving continuous supervision of provincial expenditures over a period of years.

Mr. Noseworthy: He would have to be a Liberal lawyer to make that distinction.

Mr. Knowles: This money has been turned over to the Winnipeg school board.

Mr. Garson: Yes, turned over for the purpose of making a capital expenditure. If my hon. friend spoke with knowledge, he would be telling the house that there are careful checks made in all of these cases to ensure that the money is being properly spent. I do not think my hon. friend is taking the position that the Rowell-Sirois recommendations are wrong. I do not think he is taking the position in opposition to these tax agreements, because certainly if he did he would be acting very much against the interest of the province from which he comes. But what he is saying is that after these arrangements have been made, he is not satisfied as a teacher, as a member of the house or as a Canadian, if you like, with the amount of money which the provincial government, with all the grants which it receives, is spending for primary education in the province of Saskatchewan. That being the case, he wants the federal taxpayers to pay over some more money for that purpose.

There was a time, Mr. Speaker, when a case of that sort could be put up with a great deal more cogency and force than can be done at the present time. Back at the time when the Rowell-Sirois commission was set up, it was quite true that the amounts which were being spent for educational purposes were disgraceful, and that they were much more disgraceful than they are at the present time. My hon. friend may say that they are still disgraceful, even in the province of Saskatchewan. He may say that. But if they are, then may I say I have a few figures here to show that if the province of Saskatchewan wishes to do so it can certainly spend on primary education more money than it is at present spending—

Mr. Knight: May I interrupt—

Mr. Garson: If my hon. friend will allow me to finish my sentence, I shall be glad. I was going on to say that the figures also show that the province of Saskatchewan has been placed in a position to do so by the very tax agreements whose adequacy my hon. friend is now challenging.

I say to him that the western provinces and the maritimes particularly—and other provinces of Canada; Ontario is now included —have worked extremely hard to find, under the existing distribution of responsibilities between the federal government and the provincial governments, some method whereby every province in Canada, within reasonable limits, could provide at least a minimum service in the field of education and other fields of provincial responsibility; and they have, after long negotiations and much travail, finally obtained an arrangement which is working reasonably well. What I warn my hon. friend against is leaning too heavily on special earmarked grants and tearing down the whole structure of federal-provincial finance.

When we look at the facts, what do we find? We find that in 1939 the total expenditure on education in all of the provinces was $38 million. At that time—even then—the total expenditure upon highways and bridges was $87·6 million. But in 1949, after the tax agreements had been in effect but before they were signed by Ontario, the amount spent on education was over $154 million—up from $38 million—an increase of more than fourfold in ten years. But during that period of time the expenditures upon highways and bridges by the provinces had been enlarged by $164 million per year because, in part, of the assistance which they had obtained in these tax agreements. The total provincial expenditures in 1939 in all provinces were $356 million. In 1949 they were $858 million.

In the face of these facts, Mr. Speaker, it seems to me to be an extremely difficult thing for a member of this house—even such an eloquent gentleman as the hon. member for Saskatoon (Mr. Knight)—to say with any force that, in this increase in expenditures from $356 million to $858 million, there was no room or no adequate scope for a larger increase upon education if the provincial government charged with the constitutional responsibility for dealing with primary education had chosen or had desired to spend more money upon that function. In the face of this large over-all increase in all other forms of provincial expenditure, surely no one can suggest otherwise than that if the provision for education is as inadequate as the hon. gentleman suggests it is, then the provincial ministers have the clear responsibility, and not only this government but provincial governments, provincial public

men, the Sirois commission and those who took part in the discussions between the provinces and the dominion leading up to the tax agreements, all seemed to think that it was desirable that the provinces should continue to retain and to exercise that responsibility.

Mr. Knight: May I ask the minister a question?

Mr. Garson: Surely.

Mr. Knight: Has he read the pronouncement of Premier Campbell of Manitoba in that regard at the time the provincial conference was being set up and also the request of Premier Douglas that this matter should form part of the agenda?

Mr. Garson: I may perhaps have read them but I have not retained them in my memory. But if they are to any different effect from what I am arguing, I would certainly disagree with them.

Mr. Knowles: And you would be wrong again.

Mr. Garson: No; not necessarily. I made the suggestion, and I make it again, that I should like my hon. friend—and he put up a good case today—sometime during the course of his research in this matter and his statements upon it to say—as he has been careful not to say—what these bodies like the Rowell-Sirois commission who have investigated this matter think about it.

As to the province of Saskatchewan, let us examine my hon. friend's arguments. He wants more money paid by the federal government into that province.

Mr. Knight: May I ask the minister a question? Does he not realize that the whole burden of my speech is that I am just as much interested in the children of Newfoundland or Prince Edward Island as I am in the children of my own province?

Mr. Garson: Oh, I agree.

Mr. Knight: Surely that is plain.

Mr. Garson: I agree. But during the course of his remarks my hon. friend talked a good deal about Saskatchewan, and properly so, because he represents Saskatchewan. Surely he is not going to deny me the same right. Of course not.

Mr. Knowles: But the minister comes from Manitoba. Tell us something about what happened there.

Mr. Garson: I shall be glad indeed to do that if I may make that interjection right now. As to Manitoba, for the information of my hon. friend, although I am sure that he knows it quite well, under these tax agreements that province is getting—and I am just speaking from memory—about three times as much as it was able to get from those same revenue sources by provincial taxes which at that time were the highest of their kind on the North American continent. They are getting it without the imposition of those taxes and without the imposition of as high taxes as Saskatchewan has, with the imposition of only a nine-cent gasoline tax, with no sales tax of any kind at all, and have been able to increase their budget from something of the order of $17 million to between $40 million and $45 million.

Having made that comment upon Manitoba, may I be permitted to deal with Saskatchewan. In 1952-53, these are the amounts paid by the federal government into Saskatchewan: Subsidy, $24,626,000—that is under the tax agreement; health grants, $2 million; pensions to persons 65 to 69, $2,024,000; pensions for the blind, $155,000; vocational training, $128,000; trans-Canada highway, $1,937,000, for a total of $30,870,000: The amounts paid to individuals in the province of Saskatchewan were: Family allowances, $19,450,000; pensions to persons over 70, $19,200,000, or a total of $38,650,000, or a grand total of $69,520,000. Let us get this clear. I am not arguing for a minute that, because these amounts were paid, that in itself is a reason why money should not be paid towards primary education, if it can be shown that after all of these federal payments, and after all of the moneys which that province is able to collect in taxes as a result of the prosperity towards which we have at least in part contributed by the policies of this government, they are in serious need of money, and therefore because of that need cannot support their schools. But, Mr. Speaker, this is the central point upon which my hon. friend's case falls down, namely that under the existing financial arrangements between the dominion and the provinces the provinces do not have enough money to spend upon primary education, if they choose to spend it there, rather than upon roads, bridges and other provincial purposes, which is their right. I sympathize with him; he has done a wonderful job with the material which he had, but he just does not have the facts to support it.

Under this tax agreement the Saskatchewan government has had surpluses every year from April 30, 1944, to March 31, 1951.

Mr. Noseworthy: What about the federal government?

Mr. Garson: Yes, of course they have had surpluses, too.

Mr. Graydon: And how!

Mr. Garson: And when you have a great degree of economic activity, high employment and no unemployment—

Mr. Graydon: And bad guessing.

Mr. Garson: And high production in the country, not only the provincial governments but the federal government, by the imposition of tax rates that are not out of line compared with those of other countries, get large amounts of revenue, and we can have surpluses. I think my hon. friends who have been interrupting me with these remarks will all agree that it is a very desirable thing that Saskatchewan should have a surplus. I am all for it; I am glad to see this province have surpluses; but in spite of the fact that when they have had surpluses for ten years running, and that they have reduced the debt between April 30, 1944, and March 31, 1951, by about $54½ million —this is apart from the surpluses—I think the federal government should be given some credit for what it did with respect to that $54½ million because it cancelled indebtedness of that province to the extent of $36½ million, they now say that they cannot afford more money for primary education.

In rebuttal of this poor mouth which my hon. friend puts up here on behalf of the Saskatchewan government, let me read an article from *Time* magazine of January 19, 1953. Some, if not all, of the facts on which this article is based must have been supplied by the provincial treasurer of the province of Saskatchewan.

Mr. Knight: On a question of privilege, I have put up no poor mouth for Saskatchewan. I was speaking on behalf of the children of Canada.

Mr. Garson: Perhaps that was a harsh way of putting the words of my hon. friend, but I leave it to you, Mr. Speaker, and to hon. members, if what my hon. friend did was not this. He said on behalf of the children of Canada: "I would like to see them have a good education; I want more money spent on education, but I want the federal government to spend it." Well, the responsibility for providing the education is that of the provinces, and the only excuse that the provinces have for not providing it is that they have not the money with which to do it. While perhaps the term that I used was hardly fair, yet essentially my hon. friend's case is that we are asking the federal government to put up this money because the provinces either have not the money or they will not spend it in adequate amounts.

Mr. Black (Cumberland): May I ask the minister a question? He said that the federal government cancelled indebtedness to the extent of $36½ million for Saskatchewan. Why was no calculation made for Nova Scotia?

Mr. Garson: To be fair to all concerned, I think one should say that the $36½ million represents amounts that were advanced by the federal government to the province of Saskatchewan during the 1930's when the price of the primary product that is turned out there had fallen to its lowest level in four hundred years, and when there was a succession of five or maybe six droughts. Those large amounts of money were advanced to the province for seed grain and relief upon the understanding that the seed grain would be repaid, and when, under conditions which reflect no discredit either upon the provincial government there or upon the people of Saskatchewan in any way, the amounts were not repaid, it was considered proper and fair to everyone concerned that the $36½ million should be cancelled. I presume the reason that was not done in Nova Scotia was that the same indebtedness had never been incurred.

I was saying that in the issue of *Time* of January 19, 1953, the following article appeared:

Saskatchewan
More cornucopias

For 364 days a year, Clarence Melvin Fines dresses like the conservative citizen that he is. But once a year, on the day he delivers his budget to the Saskatchewan legislature, provincial treasurer Fines puts on his gaudiest necktie. It is a flashy red, yellow and blue number, patterned with spilling cornucopias that symbolize the budgetary surpluses Fines has reported for every one of the eight years he has managed the province's finances. Last week, as Fines prepared his 1953 budget message, it was apparent that the cornucopia pattern of his "budget necktie" would be more appropriate than ever. Saskatchewan is winding up the most prosperous fiscal year in its history. With provincial revenues expected to top $70 million, more than double what they were a decade ago, a record-busting surplus is in store in the new budget.

Mr. Cardiff: What kind of cornucopia does the Minister of Finance (Mr. Abbott) put on?

Mr. Garson: He is also doing a very good job under those excellent policies. The article goes on:

Fines convinced his socialist colleagues that a high credit rating should be the province's goal. "We were under suspicion" he says. "Our financial methods had to be more than orthodox. They had to be ultra-orthodox".

And now as a result of the ultra-orthodox methods applied, I presume in relation to the

cost of primary education and creating a condition upon the strength of it, the hon. member for Saskatoon is urging that more money should be paid by the federal government. We have this request being made. Well, it reminds me, Mr. Speaker, of one time when I was in the position that Mr. Fines is in now and perhaps the hon. member for Saskatoon was in the position he is in now, and I was applying to Mr. Dunning at that time for more money. He said: "Garson, I am delighted that you should have it as long as you do not take it out of me." In the present case, if the—

Mr. Graydon: And the taxpayers think that, too.

Mr. Garson: Yes, perhaps. I think my hon. friend is entirely right because the danger with which we are really faced in connection with this matter of federal subsidies is this. Perhaps the hon. member for Peel made the remark in part facetiously, but it is a very pointed remark just the same. The danger we are faced with is this. We have here an arrangement entered into after long negotiations and great travail, under which provincial treasuries upon the whole have flourished very greatly indeed. And if there is a tendency not to use in their budgets the prosperity which these agreements have brought them in order to discharge carefully their own proper constitutional responsibilities, and if there is a tendency to keep on loading more and more upon the federal government, then the federal taxpayers of this country, like the goose that lays the golden egg, are going to balk.

Mr. Graydon: They have to pay for the schools at home.

Mr. Garson: Yes, they have to pay for the schools at home. In other words, it can hardly be maintained that this attitude is reasonable when, during the currency of these tax agreements, the provinces, after increasing their expenditures not only upon education but also upon roads and everything else—very nearly tripling their expenditures over the period of the tax agreements—have an over-all accumulated surplus in the five-year period of nearly two-thirds of a billion dollars.

And yet my hon. friend makes that the basis for his case—that we should provide federal grants to education, to help out provinces which are in that position. Now, I say to my hon. friend that if that is the sort of demand that he is going to make, in the circumstances in which we are at the present time, then he wants to be very, very careful that the point is not reached where the federal taxpayer is going to balk at this and say, "We do not want the agreements at all." And if that were the case, where would his province be?

Mr. Smith (Moose Mountain): May I ask the minister a question? Can the minister inform the house if at any of the dominion-provincial conferences provincial governments have requested from the dominion direct grants for education and, if so, how many of them?

Mr. Ross (Souris): Yes.

Mr. Smith (Moose Mountain): The hon. member for Souris says, "Yes". If so, how many?

Mr. Garson: I hesitate to speak offhand, from memory, on this matter. But I did make a statement last year, at which time I had somewhat more leisure than I have had on this occasion to check that very point. This is what I said at that time—and if the situation has not changed in the last year, it is still true:

> It is commonplace to say that the jurisdiction of provincial legislatures over education is, of all provincial rights, the one of which some if not all of the provinces are most jealous. Therefore, as between federal and provincial governments, the initiative in connection with matters pertaining to education is one which I think the federal government has always felt should be taken by the provincial governments. So far as I am aware, the provincial governments have never raised with the federal government at any time the subject matter of this resolution as such;

Mr. Knight: May I ask a question?

Mr. Garson: Please let me finish. I am in the embarrassing position of quoting myself because, as I say, I had more leisure last time to prepare. I have not had time to check between last year and now as to whether representations have been made, or have come in, and I do not like to make a definite statement until I make an inquiry. However, I am quoting now what I said at that time—and I think it is still true:

> So far as I am aware, the provincial governments have never raised with the federal government at any time the subject matter of this resolution as such; nor have they raised the question of educational costs except as an item of the provincial budgets which naturally were the subject of discussion in the Rowell-Sirois report, in the conference dealing with the dominion proposals of 1945, and indeed in all the fiscal conferences between the federal government and the provinces.

When I say "as such" I mean this, that the provinces have never been willing to concede that the federal government by any means, directly or indirectly, should have any control over their primary educational system. But what they have said is this: "We are addressing ourselves in this conference as to our

educational needs to cover our whole budget. Here it is. We have to provide for education and we have to provide for health. There it is." It is only in that sense that they have referred to education.

The whole consideration of the Rowell-Sirois commission report was with a view to reaching an agreement under which provincial budgets as a whole could be taken care of. And I am sure that every member will agree that they should have the right to decide, in respect of a matter which comes under their jurisdiction, as to whether they will spend their money upon primary education, or upon highways, or upon roads, or some other way. Surely that is a matter of ordinary common sense.

Surely, from the standpoint of just ordinary, proper administration, where you have three levels of authority, the school administration, the municipal and the provincial, with all their overhead, their rent, their stationery, and all that sort of thing, it is not a fair or prudent expenditure of the taxpayers' money that you should add a fourth level of government, and waste it in that way.

Surely it is a much more sensible arrangement, as the Rowell-Sirois commission recommended, that the provinces should be put in a position where they can arrange their own proper responsibilities, and then leave them there to mind their own business, and not attempt to interfere with them or to supervise them in any way.

Now, my hon. friend will say, "I do not want to supervise them". But does he think for one moment that the Minister of Finance (Mr. Abbott) can write out a cheque for, let us say, $50 million or $75 million—and at $5 a head in Canada, if it were at that rate, it would be $75 million—does he think that the Minister of Finance can just write out the cheque and say, "Here you go; you do not have to run your primary education. You do not have to take the responsibility for the expenditure of the money. Just go ahead and spend the money, and we will not take any further notice of the matter, at all."

He cannot do that. If he did, he would have to see that the money which was earmarked for primary education was spent for primary education. And I say again that in any of these schemes people who are said to know something about this matter have been opposed to earmarked grants. And one of the reasons is that it is only when you give a general grant that is not earmarked, a grant to be spent by the province as it, in its own judgment and within its own jurisdiction, chooses to spend it, that you are protecting provincial autonomy.

[Mr. Garson.]

Mr. Noseworthy: On the point the minister has raised: Has any province indicated that it would not be willing to accept from the federal government a grant earmarked for education, to be spent on education?

Mr. Garson: I am sure my hon. friend did not intend to cast any reflection upon my mental ability when he asked that question. But, had it not been he who asked it, I would have been almost insulted by it.

Now, I think for these reasons that in a matter which is regarded by many provinces as about as important a constitutional provision as there is in the British North America Act I, for one, would deprecate any interference with an arrangement which has worked very well for eighty years, since confederation. Perhaps my hon. friend might postpone his resolution, or any representations on this matter, until a later time when he would be in a better position—and I hope that time never comes—when he might be in a better position than he is now to say that the provinces are unable to cover these expenditures instead of the position now when, in point of fact, under the tax agreements they have been showing surpluses of something of the order of two-thirds of a billion dollars.

Mr. Graydon: Would the government do it then?

Mr. Drew: Mr. Speaker—

Mr. Knight: Might I ask a question before the hon. member proceeds? Is the Minister of Justice (Mr. Garson) aware that after his colleague, the Minister of National Health and Welfare (Mr. Martin), made a similar statement to the one the minister has made today, namely that there was no request from the provinces as such for federal aid to education, the Minister of National Health and Welfare—I will not say he was forced to do so—willingly retracted his statement publicly in the city of Regina because it was wrong?

Mr. Garson: By being wrong, I suppose my hon. friend means that the provincial government of Saskatchewan had made a request?

Mr. Knight: I don't know.

Mr. Knowles: It came from the minister's own successor in Manitoba.

Mr. Knight: I shall supply one of my colleagues with the statement of Mr. Campbell, the premier of Manitoba.

Mr. Garson: In all fairness, Mr. Speaker, if my hon. friend wishes to quote some general statement like that in rebuttal to

something I have said, I think the proper thing to do is to bring along the statement and do so.

Mr. Knight: Yes.

Mr. Noseworthy: You will get it.

Mr. Garson: I am exactly half an hour late now for my other engagement. I am sorry I cannot do my hon. friend the courtesy of remaining in the house.

Mr. Knight: Perhaps the Minister of National Health and Welfare would put us right.

Mr. Garson: I will depute him to do that.

Mr. Martin: I would want to study that very carefully.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in rising to speak on this motion, as I have in other sessions when such a motion has been before the house, I want to point out that there may be a difference of opinion as to the way in which words are to be interpreted when we are asked to support a motion that consideration should be given to the advisability of expanding and equalizing educational opportunities across Canada by the granting of financial assistance to the various provinces for that purpose. It does not seem to me that it is necessary to define in the most minute detail the manner in which the provinces are to be placed in a better position with respect to the financing of education. I take this motion as an attempt to obtain an expression of opinion from the members of the house that in the opinion of this house it is desirable to seek a way in which the provincial governments and the municipalities under them will find it possible to meet the increasing demands of education which are their responsibility.

While the motion does not specifically deal with the municipalities, I recognize that no hon. member can discuss this subject without a full understanding of the place of the municipalities in dealing with this problem.

Mr. Knowles: And the Minister of Justice (Mr. Garson) did not touch on it.

Mr. Drew: I do not feel it is necessary for me to suggest that the hon. member for Saskatoon (Mr. Knight) in presenting this motion contemplates the position of the municipalities. Everyone who has had any practical responsibility for education knows that it is at the municipal level that the basic responsibility rests.

Mr. Graydon: That is where the pinch comes.

Mr. Drew: As has been pointed out, that is where the pinch comes today. Unfortunately the whole speech of the Minister of Justice on this subject completely failed to deal with the position of the municipalities. That is where the problem really rests at this time. As I am sure every hon. member knows, there have been repeated requests from the representatives of the municipalities that in some way their plight with respect to mounting educational costs should be recognized and dealt with.

I propose to deal with the subject not so much from the point of view of the manner in which money might be made available but rather from the point of view of the need of some action to deal with the subject, particularly by the combined consideration of the dominion and provincial governments to find some way in which municipalities across Canada may be able to relieve the burden which is now imposed upon the municipal taxpayer and particularly upon home owners in those municipalities.

It is only necessary to mention the fact without enlarging upon it. The very foundation of our society, the society we seek to strengthen and build by education itself, rests upon the home.

In so far as governments at every level can by their action improve the position of the home owner, they should seek to encourage the owning and improvement of homes, pride in homes and the happiness that may be found in those homes because it is there that the real strength of our society will be found. I was impressed by the fact that the Minister of Justice on a number of occasions spoke of the willingness or unwillingness of the federal taxpayer to meet this responsibility if any heavier burden were placed upon the federal taxpayer. Who is the federal taxpayer, Mr. Speaker? There is no such thing as a separate human entity. The federal taxpayer is the provincial taxpayer and the municipal taxpayer. They are the same human beings. In every community across Canada those who pay taxes pay to the municipalities, the provinces and the dominion government.

So far as they are concerned it is only a question of whether the taxes are taken by one body or another, and most taxpayers from their own experience would prefer to see the larger amount being handled closer to home. They have found that the closer the collection and supervision is to their own point of payment the greater economy there is and the less extravagance of the nature we have seen so plainly exposed in the house during the past couple of weeks. After all, it is not only the spending of money that is

important, it is how the money is spent. What we should be seeking is to get the money paid in a way that will produce the greatest economy and efficiency and the results that are most desirable for the Canadian taxpayer, federal, provincial, or municipal, but the Canadian taxpayer right across Canada who regards education and health as the two most important problems for governments at every level.

When the Minister of Justice speaks about the surpluses that have mounted year by year, he ignores the fact that this is very largely the result of the inflation which has been promoted in this country by the methods employed by the dominion government. That inflation has had a great deal to do with the mounting levels of receipts in dollars by the name of dollars. In real money the story is somewhat different, but the story is not different from the point of view of the necessity for increased facilities for education in each community.

I do not intend to engage in a debate as to the general financial methods of the dominion government, although the Minister of Justice has sought to place that before us as an issue at this time. Nor do I propose to extend the discussion that has taken place already so far as the Minister of Justice is concerned, about the comparative advantages of the dominion government's methods and those of the government of Saskatchewan or of any other province. I prefer to deal with this from the point of view of the importance of education, the needs of those who must accept this responsibility, and my own hope that members of this house will see fit to indicate their belief that there is an urgent need—and I repeat "urgent need"—for consideration of this subject which is certainly imposing very serious problems upon every municipal government and every school board in this country at this time.

I am glad that this debate has been brought on now, because it comes forward at a time when it is possible for us to express opinions in anticipation of education week which runs from March 1 to March 7 inclusive. That national effort to impress upon the people of Canada the fact that education is everybody's business does deserve our commendation and support. I believe it will be helpful to those behind that effort to know the attitude of the legislators in this house now in regard to this subject. Also it will be helpful to them to know the view of the provincial legislators and the municipal councils in regard to this subject.

The basic theme of education week, which will be recognized right across Canada in about five weeks, is to impress upon all Canadians that education is everybody's business—not the business of the dominion government, the provincial government or the municipal government; not the business of the federal taxpayer, the provincial taxpayer, or the municipal taxpayer; but rather the business of every Canadian. And, as Canadians, we should co-operate in every way we can to advance the cause of education right across this country of ours.

No one recognizes better than I do, from personal experience and personal responsibility, the need for drawing a clear distinction between such measure of co-operation as may be extended by the dominion government and the exclusive jurisdiction of the provincial governments and the provincial departments of education for the over-all policy of education within the provinces; and of the school boards and the municipal governments under the provincial governments for education at the local level. I may be forgiven for reminding hon. members that I had for some years direct responsibility as minister of education in one of our provinces.

Mr. Graydon: You did a good job, too.

Mr. Drew: I had personal contact with the needs of the municipalities and the points of view they expressed. Without in any way raising this as an issue at this time, I need only remind hon. members that I demonstrated my own belief that the municipal taxpayer must be relieved of the burden for education in a very substantial measure.

It was while I was minister of education in one of our provinces that a very substantial part of the cost of education at the municipal level was assumed by that provincial government. I still hold the same opinion. I believe that one of the most important responsibilities of the combined levels of government at this time is to find a way in which the heavily burdened municipal taxpayer will be relieved of the crippling burden of taxation for education and health at the municipal level, which at this time must be placed so largely upon homes and real property.

Some hon. Members: Hear, hear.

Mr. Drew: I believe this has two purposes, first of all to give flexibility in revenue, which cannot be possible when the position of the home owner is considered. He may not be a home owner but may be one who rents a home, because both are taxpayers. It should also be considered from the point of view of encouragement of a greater number of people to buy and own their own homes. I think it can be properly and safely said that the greatest protection of our concept of a free society is to have the largest possible number

of Canadians owning their own homes and having them as the centre of their whole social system. I might add that it is a way in which they have a stake in their community, which gives them an added interest in the efficiency and economy that will be practised by their local municipal government.

Now, Mr. Speaker, this subject is assuming rapidly increasing importance. Right across Canada statements are being made by responsible citizens that there is immediately ahead of us the threat of a great shortage of qualified teachers for our schools. If that is so—and I find it difficult to doubt that it is so in view of the sources from which those statements come—then it is time for each one of us as a Canadian citizen, even if we completely divorce that position from our responsibility in this parliament, to take a very great and immediate interest in this subject.

The most important factor in education is the teacher. The most important factor in the development of the character of our youth, after the fundamental education which they receive at their mothers' knees and in the churches, is to be found in the standard of education given by teachers across Canada. I think every hon. member of this house will agree that there is a debt of gratitude owed by all Canadians to the unselfish service given to the cause of education by teachers who very often have not been recognized as they should be by the salaries they have received.

It is not merely the academic qualification of the teacher which is important in implanting in the minds of our youth the right approach to the life ahead of them, it is also the spirit and the character of the teacher. The character of our teachers has fully justified the confidence that has been placed in them. It would be impossible, however, for the spirit, the buoyancy and the confidence in our system not to be shaped in some measure by the extent to which those teachers feel that their great responsibility is appreciated by those who fix the level of their salaries.

I have said before in the discussion of this subject, and I do not apologize for repeating it now, that next to those who guide our religious faith there is no calling to which a Canadian can devote himself which plays a more vital part in the life, the character and future of our people, than does the teaching profession. It is many, many centuries ago since it was said by a very wise Greek that the foundation of every state is the education of its youth. Never was that more dramatically true than it is today. The kind of country that Canada is to be ten years, twenty-five years, one hundred years from now, is going to be determined in a very substantial measure by the kind of education we give our children in our schools.

May I emphasize one vitally important fact recognized by every educator and by everyone who understands the place of education, whether it be in the home, the church or the school. It is in the earliest years of receptive thought that some of the most important guiding principles of life will be established in the minds of our children. Very often in the distant years ahead it will be the principles implanted today in the mind of some young child which will determine whether or not that child will resist temptation, or will accept the responsibilities falling upon him in some great task, or will avoid the pitfalls that are bound to be before everyone. In giving education, we are not merely providing a means by which our children will earn a living and gain some measure of material happiness. We are shaping their whole future; we are shaping the way in which they will meet all the trials that every human being in this and other countries must face today, and will continue to face in the years ahead.

We are not just speaking of academic attainment as a result of education. We are speaking of the character of our people. When we talk of many other things, and seek legislative measures to deal with problems connected with them, we sometimes ignore the fact that most of these problems could be best dealt with by the fundamental education we give our youth. We will have before us shortly the new draft of the Criminal Code containing provisions in regard to offences by young offenders. We are in the habit of speaking of that problem as juvenile delinquency. The most effective way to tackle juvenile delinquency is to be sure that all children, wherever they live and whatever the circumstances of their parents may be, will receive the kind of education that will give them the ethical standards to resist the temptations that are bound to be in their path.

We shall be dealing also with a section of the Criminal Code concerning drunken driving. Far more effective than any law in determining the way in which our people will live, and the manner in which they will face problems of society in this and other respects, is the sense of obligation they will have developed in their own minds to their fellow citizens. The men and women who have been taught as children to remember their obligation to others will be much less likely to get behind the wheel of a car, with all its dreadful possibilities, in a condition that does not meet the responsibility imposed

upon them by that simple act. The same thing is true of all the problems we meet in our daily life, and in respect of which we are called upon to deal from time to time by legislative action. All this I repeat because of the necessity of placing in the hands of municipal authorities and the school boards adequate revenues to bring into the teaching profession the very finest brains and the very best spirit to be found amongst the young people of Canada.

Then may I deal with another subject which is related to this; that is the excellent work being done by home and school organizations right across Canada. At this time over 200,000 Canadians are actively engaged, through this and related organizations, in advancing the cause of education in every province of Canada. There are also the parent-teacher organizations where, from the special knowledge gained by teachers in their own field, they are able to encourage a better understanding of this great problem. I point out also to the minister the importance of adult education in relation to this whole subject of education, because adult education is largely made possible by the broad standards of education developed at the primary level.

Now, Mr. Speaker, the question arises as to how we are to encourage into the ranks of the teaching profession the very best of our young university and high school graduates. The question arises also as to how we are to provide the very best educational facilities possible in this country of such tremendous opportunity. This afternoon the discussion has dealt in some measure with the difficulty of drawing the distinction between the provincial responsibility and the responsibility of the dominion government. I am not suggesting for one moment that anything should be done which will in any way, indirectly or directly, encourage the dominion government to invade the field of education. I agree with the Minister of Justice (Mr. Garson), and others who have spoken on this subject on earlier occasions, as I have asserted at dominion-provincial conferences. I have attended, that there is no subject of provincial jurisdiction in regard to which the provincial governments will more jealously assert their prerogative. I hope they will continue to do so. Our unity as a nation depends upon the extent to which we recognize the position of the provincial government in the field of education and do not, directly or indirectly at any level, seek to interfere with that responsibility.

Education, for reasons so obvious they need not be repeated here, was left to the provincial governments at the time the provinces of Canada joined to form one nation in 1867. When the Minister of Justice today warned us that we must be cautious in this respect and that it would be unwise to undertake a system of grants in aid which would force the dominion government to exercise some measure of control over the expenditure, I wonder whether that same observation applies with equal force to every other place where the dominion government is now making grants of one kind and another. That is exactly the point I have been seeking to make in this house on a number of occasions with regard to other grants. I believe that the best way for us to assure the continuing strength of our federal system is to make sure that the provincial governments and the municipal councils within those provinces have adequate revenues so they are able to carry out their tasks without any possibility of intervention at any time by the dominion government.

That was the concept of confederation that we accepted in 1867. It is the genius of our form of confederation. It is the basis upon which national unity has been established here. When the Minister of Justice (Mr. Garson) told us that at present there are agreements which have been found satisfactory to the provinces—and may I say that I realize why he is not now present; he indicated that it was necessary for him to keep some appointment—and that Ontario, which recently signed the agreement, finds it satisfactory, I would remind him of something which I hope he has not forgotten, namely that most of the provinces have stated—and certainly the government of the province of Ontario has done so in the most emphatic terms—that these agreements are not a satisfactory solution of the problem. In signing this agreement strictly as a temporary measure the premier of Ontario said that at best it was only a stopgap, and that steps should be taken immediately to find a system by which the provincial governments and the municipalities would have adequate sources of revenue.

Not long ago I saw the report of a speech by the premier of Nova Scotia to the bar association of that province in which he said that the time had come when the people in this country must decide whether there is going to continue to be a federal system in Canada. He left no doubt about his own belief that if we follow the present course of stripping the provinces of their real provincial authority, the federal system in Canada cannot continue. Similar statements in different words have been made by the heads of other provincial governments. My own belief is

that the one way in which to deal satisfactorily with this subject is to seek a reallocation of the taxes which are given to the provincial governments and to the municipalities under them, with independence of revenue which is consistent with their independent responsibilities in their own field, and that this be done without further delay.

It is all very well to point out that the provincial governments are receiving large sums of money from the dominion government under agreements whereby the provinces gave up, for the time being, their historic tax fields; I refer to the great basic fields of the personal income tax, the corporation tax and other taxes which have been the subject of agreement. What the Minister of Justice (Mr. Garson) refrained from dealing with was the fact that, having obtained agreements in this respect, the dominion government continues to invade still further the general field of taxation, so that the percentage of the tax dollar available to both the municipal and the provincial governments becomes smaller and smaller.

In 1951 the dominion government collected 77 per cent of every dollar paid in taxes by Canadian taxpayers. Last year it would appear that they collected 78 per cent. The figure is going up all the time. Year by year the percentage of the tax dollar available to the provincial and municipal governments becomes less and less. This fact has the effect of forcing back upon the home owner, the tenant and the small businessman in the municipality a larger and larger burden for education and health within the municipality. One of the most urgent needs of the Canadian taxpayer at this time is for governments at all levels to bring about a readjustment of taxation which will relieve the burden of the municipal taxpayer.

I support this motion not with the thought that there may be complete agreement as to the way in which this objective will be worked out. I thought the hon. member for Saskatoon was extremely fair in the way in which he placed before us his own belief that it was not necessary to define in too great detail the procedure by which this proposal is to be put into effect, but rather that we should seek from the members of this house an expression of opinion that at every level of government there be that appropriate consideration of this subject which will make it possible to provide the educational standards that we would wish to see in every part of Canada. He spoke about Canadian children in every part of this country. I believe that is the way in which we should approach the matter. I have indicated my own belief that nothing which is done here at any time must minimize in the slightest measure the full responsibility of the provincial governments for the vitally important subject of education and, under them, the municipal authorities who operate under provincial laws and who deal at the local level with this tremendously important subject in the building of a strong and good society.

Without seeking to draw differences between one party and another as to any political doctrine they may express from time to time with respect to financial or other matters, but having regard to the vital importance of education at this time, to the place of the teacher in the building of this nation, to the schools and the physical requirements of education itself I would therefore hope that all of us will say in no uncertain terms that, with a full recognition of the constitutional responsibilities of the provinces and the municipalities, we want the dominion government which now absorbs so much of every tax dollar to do what they can to bring the governments together to see whether there is not some way in which we can broaden the basis of education for the people of Canada.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, we have had the opportunity of debating this resolution on three previous occasions. Much credit is due the hon. member for Saskatoon (Mr. Knight) for the persistence which he has displayed in pressing toward a very important objective. In approaching the resolution, I should like to think in terms of an objective. The resolution is quite clear as far as I am concerned. It merely asks the government to take into consideration the advisability of expanding and equalizing educational opportunity across Canada by the granting of financial assistance to the various provinces for that purpose.

The hon. member for Saskatoon indicated clearly that across Canada from coast to coast support for the objective or the proposition is growing, and it is not support emanating merely from any one political party. It is a feeling which members of school boards are supporting. The ratepayers themselves generally are supporting it. Certainly the teachers are supporting it, as are all others who have given careful and serious consideration to the present problem which confronts us in connection with financing education.

I was rather amazed at some of the arguments advanced today by the Minister of Justice (Mr. Garson) in an effort, I presume, to indicate to the Liberal membership in the house that they should not support the resolution at this time even though possibly the vast majority of them do in their own minds

agree with it. As a matter of fact I was somewhat interested when the hon. member for Saskatoon indicated that certain persons who did not belong to his political party suggested that it might be wise to climb on the bandwagon at this time because this thing is going to happen sooner or later.

The Minister of Justice devoted considerable time last year to another resolution couched in the same language. At that time he made it perfectly clear that as far as certain truisms, as he called them, were concerned, all hon. members are in agreement. At page 616 of *Hansard* of March 20, 1952, he said:

> From what has been said it is clear that certain points of agreement have emerged. It is hardly necessary for example to repeat all the truisms about the great importance of education in our national life.

Well, I would concede, Mr. Speaker, that there would be no disagreement among us in this house as far as that matter is concerned. He goes on to say:

> Nor is it necessary to argue at great length that teachers' salaries in general are inadequate; for their inadequacy is clearly established by the relative economic unattractiveness of the teaching profession.

In the light of the information which was placed on *Hansard* on March 19 of last year by the hon. member for Saskatoon, I would doubt very much whether any hon. member would disagree with that assertion. I wonder how many hon. members gave consideration to the table which the house granted the hon. member permission to have included in *Hansard*. May I refer to one column, Mr. Speaker, headed "Median salaries of teachers in all schools, 1950." I know the general situation has improved somewhat since that time, as far as certain teachers are concerned, but there has not been any substantial improvement. In one province the median salary of teachers is $1,083; in another $1,341; in another $2,109; in still another $1,689; in another $1,580; in another $2,279, and the highest is $2,668. The last one I give is $966, which is the lowest. Surely, Mr. Speaker, there is not another professional group in Canada whose median salaries are anywhere near as low as those. There is no group in the country of organized labourers whose salaries are not substantially higher than those listed here; yet, Mr. Speaker, there is not a group of people in the country who are performing a more necessary or more important service for the country.

When speaking last year the Minister of Justice said at page 617 of *Hansard*:

> It may be stated that the general agreement in this house upon most of the principles which have been enunciated so far in this debate affords a much more satisfactory basis for examination of the facts than would be the case if we were in disagreement on those principles.

Well, that is fine. According to my way of thinking that is a statement of fact, but it is so significant that last year the Minister of Justice centred practically his entire argument upon what he called "a vital attack upon provincial autonomy." That seemed to be the keynote of the speech which he delivered on March 20 last. Well, it was a specious argument, Mr. Speaker, because there was no vital attack upon provincial autonomy at all, and it was asserted time and time again that there was no intention to interfere with provincial responsibility in the field of the administration of education.

I may also point out that last year the Minister of National Health and Welfare (Mr. Martin) carried forward into his speech the keynote which was established by the Minister of Justice. The Minister of National Health and Welfare said in 1951, in referring to the constitutional position: "The provinces have been given exclusive jurisdiction in the field of education. National unity is predicated upon it."

I recall that in closing his speech the Minister of National Health and Welfare said that "we believe that the best way of giving every child in this country the best possible opportunity for education in accordance with her or his talent... is to do it within the terms of the constitution. We believe it is better to do it in that way than by following a suggestion which cannot be accepted"—he was very specific in that—"because it is a matter wholly within the competence of another legislative authority and alien to our own."

It was pointed out to the government last year, and it was also pointed out to the Minister of National Health and Welfare, that under section 92, subsection 7, of the British North America Act the establishment, maintenance and management of all hospitals, outside of marine hospitals, falls exclusively within the jurisdiction of the provinces. Look at what has happened in that particular field, Mr. Speaker. The federal government is making grants to the provinces. It is true they are earned grants; in other words, they are matched dollar for dollar, and there has to be general agreement as to the nature of the edifice that is to be constructed. Those grants are performing a very valuable service. They are appreciated, and they enable the provinces to provide a much higher standard of hospitalization and general health service for the people. But the point is that we cannot forget that under the British North America Act the Minister of National Health and Welfare and the Liberal government

could not have given one dollar in grants to the provinces to assist in hospital construction had they followed the argument used by the Minister of National Health and Welfare last year and the argument used by the Minister of Justice last year and referred to again today.

It is an established fact, the constitution to the contrary notwithstanding, that the provinces and the federal government have been able to get together, even where these fields of exclusive jurisdiction existed, to permit the federal government to make grants to the province to enable them to do certain desirable things. And it could be done just as effectively and as easily in this field as in the field of national health and welfare.

I was particularly interested in hearing what the hon. member for Winnipeg North Centre (Mr. Knowles) said today about a grant that is being made for the construction of a school in Winnipeg. The minister appeared to be thrown back on his heels when that was brought to his attention. His "out" was: Well, after all, a certain amount of federal authority is bound to be exercised in connection with the construction of that school.

If the provinces and the federal authorities agree that that shall be the case so far as capital construction is concerned, then certainly the principle could very easily be carried into this general field of education. And may I assert that through grants for capital construction—call them earned grants if you will—the federal government could perform a most valuable function and be of inestimable assistance in this whole field of education by giving consideration to that very aspect of the matter.

This resolution does not tie the government down to any specific course of action. It does not bind the government to make grants for elementary education to provincial departments of education, in turn perhaps to be matched and turned over to local authorities. It does not tie the government down to that at all. Its objective could be reached, in part, through assistance in capital construction, as is the case with respect to hospitals, and with the same end result. This could be done without interference in the administration of schools, any more than today there is interference in the administration of hospitals because earned grants have been made for the construction of or for additions to hospitals.

Since the resolution does not tie the federal government down, I shall offer a suggestion we have offered on previous occasions, namely that it should remove the sales tax from vehicles used in conveying children to schools. In other words it should remove that tax from school buses. Those buses would have to be used exclusively for the purpose intended. There, however, is an example of how the federal authorities could enable the provinces to move toward that objective.

Then of course we have the question of the sales tax and import duties on many of the publications used in the schools. Surely that would be one method of contributing toward the attainment of this objective. But today the Minister of Justice (Mr. Garson) developed another tack when he said that any move toward making grants to the provinces to effect the objective set forth in the resolution might create a serious unbalance so far as federal-provincial financial relationships are concerned.

Throughout the entire speech by the minister one would almost be obliged to assume, if he did not know otherwise, that the existing agreements between the federal government and the provinces are satisfactory, that they meet the requirements of the provinces, and that they are fair. I deny that suggestion most vehemently. All hon. members know that during the war the provinces willingly moved out of certain tax fields in an effort to achieve victory in military conflict. They were assured that this was but a temporary arrangement. Yet when the war was over they were pressured into a continuation of those agreements. And because the federal government can go into the entire tax field it has been able to pull a squeeze play on the provinces and, in cases, compel them to enter into agreements, even though the terms of those agreements were not satisfactory.

I was interested in a discussion which took place while the Minister of Justice was speaking. He referred to a cancellation of debt in Saskatchewan to the extent of $38,500,000. Of course my mind went back to the fact that we, in my province of Alberta, had also accumulated a huge debt as a consequence of drought and depression. The farmers of my province had accumulated terrific debts; but there was no federal cancellation of them. Perhaps this was because there had been a change of government in that province. The burden was left upon the provincial government in Alberta to cancel debt to the extent of $22 million. I well recall that in the report of the Bank of Canada for 1937 it was stated that the position in my province had improved so materially that the bank would not have been justified in recommending such cancellation. That was political hogwash; we know the reason for it. However, I mention that only in passing.

Education

Under the division of constitutional authority and responsibility as it existed at the time of confederation, things may have been reasonably fair. But as the years have gone by greater and greater responsibilities have been placed upon the shoulders of provincial and municipal governments. It is my conviction that where responsibility exists there should also exist the authority to carry out that responsibility.

The minister spoke in terms of high budgets in the provinces. That is true; but I know of no province in western Canada wherein the percentage increases in grants for education have not exceeded by far the percentage increases in provincial revenue.

Even though it annoys some people, I think I may be forgiven for referring to the province from which I come. It is as natural for me to do so as it was the other evening for the hon. member for Edmonton East (Mr. Macdonald), when he referred to Alberta instead of Manitoba. After all, he comes from Alberta, and is presumed to be more familiar with it. I know that in my own province in the fiscal year 1935-36 the gross grant for education was approximately $1,450,000, whereas in the fiscal year 1952-53 it was approximately $9,850,000, or an increase of approximately seven and one-half times the figure for the first year. Yet in that period of time provincial revenues had increased by approximately only four and one-half times the former amount.

This specious argument about taking something away from one department and giving it to another is, as someone near me suggests, rather silly. One knows that provincial governments have minimum commitments to meet in every field and that, in respect of education, it is imperative that we acquire the best possible types of roads over which so many of our children are transported when moved to and from schools. Many of these things are interlocked. There are minimum requirements below which no provincial government could go in the provision of service to its people in any specific department. Let any government anywhere in Canada undertake to slash its public works appropriations by 50 per cent in order to provide these additional millions for education, and see what would happen. Let us be realistic about this sort of thing. The federal Minister of Finance (Mr. Abbott) will repeatedly stand up and defend his surpluses on the grounds that there is a national debt and it is necessary to make provision for it. Yet apparently the Minister of Justice (Mr. Garson) regards that type of argument, when applied to the provincial field, as being rather specious. To me it is nonsense to say that the same principle that applies here does not apply in the case of the provinces.

I fully realized before this debate started that those in agreement with the resolution would advance substantially the same arguments they advanced last year. I think maybe those of us who have supported the resolution have in the main been arguing in much the same way as we did last year. There is good reason for that. I think the arguments we used last year were sound, and they are still sound. They were good enough for the debate last year, and they are equally good this year. I also assumed that those opposed would submit arguments very similar to those used last year. In the main that has been the case with the exception that the emphasis has been transferred from what was indicated as a vital attack upon provincial autonomy to this question of creating a financial unbalance under the present provincial-dominion tax transfer agreements.

When I approach the subject of federal aid to education I do not like to think of any part of Canada as such at all. To me it is a problem which we should be big enough to face objectively and in relation to Canada as a whole. It is quite true that one province may not receive very much in the way of grants. It would depend entirely upon the formula which was determined. But it may be that another province, for example the one that is paying a median average salary of $966 to its teachers, would be deserving of and would obtain a substantial grant. I would not object to that at all, because after all that is the basic fundamental in the process of endeavouring to establish the highest possible degree of equality of educational opportunity.

We have also referred to one or two other matters with respect to which we have endeavoured to tie in at least a certain degree of federal responsibility. Let us take the question of immigration. Immigration policy is in the main a federal matter. I put it that way because I fully realize that it is within the competence and jurisdiction of a province to facilitate the influx of immigrants provided they are of British origin. To that extent the provinces can enter that field. However, so far as those who are not British subjects are concerned, they are the responsibility of the federal government. That matter comes within the jurisdiction of the senior government. But once these immigrants enter Canada they are absolutely free to go to any part of Canada they desire to go to in order to settle. The consequence is—and I have seen it in effect—that for some particular reason you find a heavy influx of immigrants into a particular area. Did you ever stop to realize

the problem which is created in providing educational facilities for them? True, there is a lot of responsibility upon provincial governments to help to bear the burden created but, looking at it purely from the municipal point of view, in many cases it has become a burden of almost staggering proportions.

I have seen the mill rates paid by ratepayers in certain school districts in Canada, and it is an astonishing thing to me that people can continue to be home owners. In so many municipalities the item of school tax exceeds the combined total of hospital and municipal taxes. Sometimes it is almost double the levy for these other purposes. Therefore it is my contention that there is federal responsibility. Today we often hear it said that the population of Canada is bound to increase substantially, as it has already done as a result of federal immigration policies. Let me repeat that while a province has nothing to say about the number of such persons who may settle in any given area within the province, certainly there is a moral responsibility, anyway, upon the federal government to see to it that certain of the burdens created are met in part at least.

There is a second point that arises, and it certainly brings federal responsibility into sharp focus. I refer to the establishment of military installations in Canada and the bringing to local communities of the wives and families of many of the personnel serving at nearby stations. That has created a tremendous problem for some of our local municipalities. It is an unequal burden. Certainly a province can go so far in assisting to alleviate it, but I cannot see why the full responsibility should be upon the province when it has nothing to do with the location of the military installation, and more particularly because the defences of the nation are primarily a national responsibility.

A previous speaker referred to the limited field of taxation enjoyed by municipalities, and this matter is now developing into an extremely serious situation. It is my understanding that a municipality is limited to a property tax, business tax and poll tax. Many municipalities have presented figures indicating that they have just about reached the end of their rope. They must either acquire additional revenues from all senior governments or their field of authority must be extended within the municipality to enable them to acquire the finances necessary to carry out the responsibilities imposed upon them by law.

It has been said, Mr. Speaker, that the federal government has already gone into the field of education. That is true. It was interesting to hear the Minister of Justice skate around that. I realize fully that it is not too difficult to make almost any kind of argument that one may desire to make in support of or in opposition to a particular proposition. But I wondered what the Minister of National Health and Welfare (Mr. Martin) was thinking as he sat behind the Minister of Justice and heard him advancing the arguments he put forward today. I have heard the Minister of National Health and Welfare take a stand diametrically opposed to that taken by the Minister of Justice when he was justifying federal participation in health services.

Apparently it all depends upon what you are trying to prove or disprove. I tried to analyse the expressions on the face of the Minister of National Health and Welfare. I have known him for many years and have never yet been able to do so. However, when this particular argument was being developed before us today I thought I would be able to ascertain his thoughts. I think I know what they were.

You know, Mr. Speaker, speaking of going into this field of provincial government jurisdiction reminds me of certain debates I read in *Hansard* going back some years prior to the introduction of old age pensions, for example, and prior to the acceptance by the government of the day of any responsibility in that regard. They argued as the Minister of Justice (Mr. Garson) argued today. But let me emphasize that in every case where the provinces and the federal government have agreed that a certain objective is desirable, where they have been able to come to an agreement as to the method of procedure in reaching that objective, they have been able to reach it. A lot of these problems are wholly imaginary, defences drawn upon to justify a certain course of action or failure to take a certain course of action.

We know, and Canada is appreciative of, what the federal government has done in the field of vocational training, for example, and what it has done by way of assistance to universities. True, those are all matters of assistance towards education. They were desirable and we supported them when they came before this house, and we will continue to support them. The very fine distinction which the minister tried to draw today between these expenditures and other expenditures for educational purposes to me just simply narrowed itself down to an argument that did not have any foundation at all.

Now, Mr. Speaker, it is not very often that I finish a speech of mine by quoting a Liberal, but this particular Liberal happens to have some pretty good ideas sometimes and I think

he has a better idea as far as this resolution is concerned than most other Liberals in this house. I speak of the hon. member for Spadina (Mr. Croll). I have always admired the hon. member for Spadina because it occurs to me that when he has an idea he has the courage of his convictions and is ready to express those convictions.

An hon. Member: Apple-polishing.

Mr. Shaw: I have always admired the hon. member for Spadina for many reasons, and particularly because he does not hesitate to take issue with his colleagues when he feels a certain conviction with respect to any proposition. I think it was in the debate last year that the hon. member for Spadina had this to say; I have the clipping out of *Hansard* but I have not the date marked on it. The resolution was exactly the same resolution that we now have before us. He said:

> The resolution before us speaks of equalizing educational opportunity. The problem, as has already been stated by members in this house, arises because our country's wealth is unequally distributed. But we must not lose sight of the fact that education is no less a concern of the poorer provinces. Inequality of educational opportunity is the result of economic inequality and not inequality of will. In my opinion federal aid to education will make it possible to raise the salaries of some of the teachers who have been notoriously underpaid for a great length of time. I have always felt that the community should look to the teacher, and the teacher should be proud of her profession. Salary increases have been neglected for a long time. On the last occasion when this subject was before us, some of the figures that were given in this house as payment to teachers for years of service were almost scandalous.

I quote that paragraph, although in my view his whole speech was worthy of being repeated in this house. I trust that he feels the same way toward this subject now as he did then. After all, I do not think that throughout his whole speech last year the hon. member for Spadina bothered his head about going into all the details the Minister of Justice goes into and taking all of these devious trails which are, I think, designed to lose us in the underbrush. He just dealt with the proposition, and it was as clear as could be.

I think we would be well advised, Mr. Speaker, since this resolution does not commit the federal government anyway, to decide upon the broad objective. Is it desirable or is it not? I think we can leave out Saskatchewan and Meadow Lake and any of these other things that one might think savour of politics. Let us decide on the objective. The government are not committed; and if they decide to go forward after all, they and the provinces will decide the method of approach.

In conclusion, Mr. Speaker, may I say that my colleagues and I in the Social Credit group support this resolution.

(Translation):

Mr. J. H. Rousseau (Rimouski): Mr. Speaker, at the outset of my remarks, I wish to congratulate the hon. member for Saskatoon (Mr. Knight); in fact, if I were living in his province I would vote in favour of his resolution.

However, since I live in the province of Quebec, I say immediately that I shall vote against the resolution.

In the province of Quebec, education comes under the sole jurisdiction of provincial, municipal and school authorities, and I could even add, religious authorities. It has been so from the very beginning of the province and that system has produced marvellous results if we compare the present situation with what it was in the early days.

In our province, education comes under the department of the provincial secretary, which has authority over the Public Education Council—Conseil de l'Instruction publique—made up of the superintendent, of one member of the government, of catholic bishops and of protestant clergymen. All that to show that in the province of Quebec the rights of everyone, whatever be his nationality or religion, are protected. By the way, I must say that protestant and English-speaking minorities of the province of Quebec are treated as fairly as the majority.

Am I saying these things to draw a comparison with what may have happened in the past in certain provinces with respect to my French-Canadian compatriots? Such a conclusion may be drawn from my remarks. However, I have always thought that generosity played a great part in the conduct of the affairs of the world, and if we, from the province of Quebec, have been generous towards certain elements, it is to be hoped that the same generosity may be displayed by other provinces, where sometimes our feelings have been hurt.

As I say, comparing the situation at the very beginning of the province, in the field of education, with what it is now, we find that we have now our universities, our colleges, the various business schools, schools of navigation, and so forth, as well as our primary schools.

At the beginning, salaries were extremely low; however, the standard of education has always been high. Why? Because we have always believed that when teachers fulfil their task through sheer devotion to duty, more skill is displayed and better results are obtained than when one's salary is the only incentive.

In 1760, after the conquest, though only 60,000 French Canadians remained in the country, education was essential for this nucleus of heroes wanted to remain alive as a racial group.

Have they succeeded? I answer yes. If teaching continued in Quebec in those days, it was thanks to women of gentle birth who had remained in this country and thanks, also, to our parish priests. I spoke of people of gentle birth. It has been claimed that none remained in the province of Quebec after the conquest, but the truth is that many had remained. In every family now, there is still some noble blood. In any event these gentlewomen taught without remuneration, as well as the priests who gave children lessons in arithmetic, grammar and catechism, not to speak of loyalty. Here is an example of this.

In 1866, during the Fenian raids, when the Americans had decided to capture Canada, had the French-Canadian clergy not enjoined the faithful to remain loyal to the British crown, Canada would no more be a jewel in this crown, but we would have been absorbed by the United States of America.

These facts were reported in 1916-17 by the then premier of Quebec, as guest of the Empire Club in Toronto. It was he who revealed these facts which were later repeated in another lecture. At that time it was seen that noble blood still flowed through the veins of every Quebec family. The people in Toronto said of our premier of the time that he knew what he was talking about, that he was an authority.

It was then that this famous Bonne Entente movement came into being and it has never ceased to gain ground. I do wish to pay this tribute to the Catholic clergy, without whom, as I say, we would have been absorbed by our great neighbour to the south.

And now, having managed to stay alive as a racial group we nevertheless live in complete amity with our English-speaking compatriots. As I was saying we are now beginning to understand each other better, so much so, in fact, that our English-speaking friends are now beginning to speak our language. As far as French is concerned, the results are so extraordinary that when prominent visitors come from France to visit us, they feel themselves to be in another France when they pass through the province of Quebec. Moreover, English visitors to our country are always glad to note that, for some years past, citizens of both nationalities have been walking hand in hand.

Mr. Speaker, those are the reasons why I shall vote against the resolution moved by the hon. member for Saskatoon, even though, as I said at the beginning, I congratulate him on his good intention. But in the province of Quebec, we are intent on keeping education under the exclusive direction of the governmental, municipal, school and religious authorities. Every government that has been at the helm in our province, regardless of party affiliation, has expressed the same view, and that is why I say again that I shall vote against the hon. member's motion.

(Text):

Mr. Noseworthy: Mr. Speaker, will you call it six o'clock, or shall I proceed?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. J. W. Noseworthy (York South): Mr. Speaker, the resolution that is before us, which has been moved by my deskmate the hon. member for Saskatoon (Mr. Knight), is extremely simple. One is really surprised that such a simple resolution should call forth such great opposition from the government benches. All this resolution asks is that we in this house express an opinion as to whether or not the government should take into consideration the granting of financial assistance to the provinces for the purpose of expanding and equalizing educational opportunity. The resolution simply asks the house to express its opinion as to whether or not it is advisable for the government to consider the making of such financial grants to the provinces for the purpose specified.

That resolution is based on the premise that every Canadian child has a birthright. That birthright is an educational opportunity equal to that of any other child in this country. That birthright is an equal educational opportunity whether that child be English or French; whether it be protestant, catholic, jew or gentile; and regardless of race, colour, the economic status of its parents or the part of Canada in which it is born. That is the premise upon which we ask this house

to consider whether or not this government should grant financial assistance to the provinces in order to enable them to give Canadian children what is their birthright.

The resolution is also based on the premise that today there exists a crisis in education. I do not need to emphasize the importance of education in the building of Canadian citizenship. Its importance, I take it for granted, is accepted by every member of this house. What we are faced with is a crisis. A conservative estimate prepared for Canadian education week shows that in 1955, two years hence, there will be a shortage of 25,000 teachers in Canada. The shortage of teachers in Canada has been increasing every year. By 1955 there will be need for another 1,000 schools to be built. Some municipalities are already finding it extremely difficult to build those schools. Classrooms are already overcrowded and the overcrowding is getting worse.

As has been pointed out by the leader of the official opposition (Mr. Drew) and others, some steps must be taken to meet this crisis. If we are to continue to provide educational opportunity for Canadian children we must take some steps which will enable us to staff the schools with properly qualified teachers and to provide sufficient classrooms to accommodate the pupils who are coming to our schools. There has already been pointed out in this house the difference which exists in educational opportunity as between the provinces, in so far as that equality or inequality of opportunity can be measured by the expenditures which have been made for education. In 1950 the median salary of teachers in all schools ranged, as has been pointed out, from $966 in Newfoundland to $2,668 in British Columbia. I think most of us will realize that so long as you have that difference between the salaries which are paid to teachers in different provinces, you are not going to have anything approximating equality of opportunity. You cannot secure in Newfoundland, for less than $1,000 a year, the best and brightest of the young people of that province that we require to enter the teaching profession. If the teaching profession is to attract our best young people, we must be prepared to do something in those provinces that are still paying in the vicinity of $1,000 to $1,500 for teachers.

There has been a persistent decrease in the number of teachers attending our training schools. Last year that decrease was shown in every province in Canada, and ranged from a drop of 10 per cent in Ontario to one of 37 per cent in Prince Edward Island. There was no single province in Canada that was not affected by that reduction in the number of people attending the teacher training schools.

Those are the facts that we must face. In view of the importance of education, it would seem to me we should be able to face those facts without having regard for political expediency, without having regard for politics, race or religion. It would seem to me that in this house we ought to be able to put the interests of young Canadians first in our discussion of this subject; we should be able to rise above politics, above race, above religion in discussing this question.

In that respect the speech made this afternoon by the Minister of Justice (Mr. Garson) was very disappointing. That speech will be a disappointment to everyone interested in education in this country. It will be a disappointment to the tens of thousands of school teachers across Canada from the provinces in the east to our province on the west coast. That speech will be a disappointment to every school board across this country. It will be a disappointment to a great many national organizations which over the years have been supporting federal aid to education.

The minister's speech this afternoon was based on one premise only, namely political expediency. The minister refused to face up to the crisis that confronts us in our educational systems across this country, and to place in paramount importance the needs of the young people of Canada. He raised a number of objections. It was interesting to find the minister going back to the Rowell-Sirois report and taking therefrom arguments to be used in his stand against this resolution. It is strange indeed how the minister and the government can use this report when it suits their purpose, and completely ignore it and other reports when that suits their purpose. The minister pulled out of the Rowell-Sirois report this afternoon the objections which the authors of that report made to federal aid for education. To my knowledge it is the only time the minister has ever gone to that report for any positive direction on any policy.

I know something about that report. I had the privilege of appearing before that commission, in my capacity as chairman of the Canadian Teachers' Federation, and presenting the opinions of the Canadian teachers. We were disappointed with the point of view expressed in that report; but times have changed since then, and in any case the authors of that report recognized the validity of some of our arguments. They recognized that the demands of education have gone far

beyond those which existed when the British North America Act was adopted. They also pointed out the importance of equal educational opportunities, and at page 51 they said:

> It is our hope that provision can be made for the fiscal needs of all provinces, including within those needs provision for the education of the young.

While the Rowell-Sirois report does not recommend specific grants for education, it does express the hope that the federal government will make available to the provinces such financial aid as will enable those provinces to meet the costs of education and provide equal educational opportunity within the provinces. That in reality is all that we ask in this resolution. All we ask is that the government give consideration to granting financial aid to the provinces to enable them in turn to provide equal educational opportunity to our Canadian children.

The minister placed a great deal of importance upon the fact that the federal government could not give grants to the provinces for education without at the same time exercising some control over education within the provinces. The federal government has been providing millions of dollars for education within the provinces in one way or another, and we have yet to hear in any province a single voice raised to the effect that the federal government is, by reason of those grants, interfering with provincial rights in the matter of education. The Minister of Justice was simply raising this argument because this government does not want to provide such federal assistance to the provinces; or is it, with a federal election in the offing, afraid of the political effects of any such grants?

If this government has the interest of young Canadians at heart it will consider ways and means by which it can come to the assistance of the provinces in this matter. The minister asked, where is the federal government going to get the money to pay for federal aid to education? During the war we never hesitated for a moment to find money to educate our soldiers. We had to open what amounted to public schools in some of the army camps in order to teach some of our young men to read and write so they might be able to follow the instructions which were handed out to them. We had to undertake the provision of elementary education in some of these camps. We never hesitated to train young people for work in the munition plants. When war comes we can find money for education or for any other purpose. If this government wanted to find money and allocate it to assist the provinces in providing better education for the youth of this country, they could do so.

The minister tried to tell us that the provinces are able to provide better educational opportunities if they so desire. He may be in a much better position to judge that than I am. What I do know is that in the province of Ontario the municipal taxpayers are still called upon to bear a very large share of the cost of education. What I do know is that in some of the suburban municipalities of Toronto we have found it difficult to have new houses built because those municipalities were unable to bear the extra cost that would be involved if large numbers of new homes were to be built there. Upon occasions private contractors have been required by the municipalities to include in the cost of the homes the added cost of building schools, with the understanding that this would be added to the selling price of a home, so that a purchaser would absorb not only the cost of the land, the interest on his mortgage and local improvement charges but also the cost of building schools in the municipality.

It may be that provincial governments are in a better financial position than they were. But if they are, they are not coming to the relief of municipal taxpayers to an extent that will relieve those taxpayers of this overburden, and provide equal educational opportunity for all our children.

I pointed out that much is being done now by the federal government, and that it has been done without any interference with provincial rights. But we have had to have recourse to many subterfuges to obtain that assistance. We make large contributions to education through the Department of Labour, and try to kid ourselves into believing that this is not a contribution to education. We are told that because it is made through the Department of Labour, therefore it is a contribution to labour. The Department of Veterans Affairs makes heavy contributions to education. There again we are told this is not an assistance to education but that technically it is to assist our veterans. The Department of National Defence makes contributions to education, but we kid ourselves into believing that these are not educational grants, that they do not interfere with provincial rights, that they simply help our Department of National Defence.

The Department of National Health and Welfare contributes in a number of ways to educational projects. But we camouflage that by placing these expenditures under this department, and thereby convince ourselves that we are avoiding any interference with

provincial rights in the field of education. The national research council, with its scholarships for educational purposes, enters the picture. Here again we are told this is not a direct aid to education. The Department of Citizenship and Immigration is also in the picture. This department finds it is quite constitutional to assist immigrant children and adults by helping to provide schools for them. Yet the department appears to take the view that it would not be constitutional for the government to assist native-born Canadian children through regular educational channels. The Department of Trade and Commerce, particularly through the educational division of the dominion bureau of statistics, makes its contribution. The Canadian Broadcasting Corporation, and other activities connected with the federal government, either directly or indirectly make their contributions to education.

I have here the table referred to by the hon. member for Saskatoon (Mr. Knight) which shows that all the provinces, through the Department of Labour, have accepted federal grants for youth training in the last three years in an amount well over a million dollars. Every province in Canada has taken advantage of this. I find, for instance, that Quebec took the largest share, amounting to $350,000. Ontario accepted $180,000. The truth is that every province accepts federal moneys for youth training. Yet we are asked to believe that, in some way, this differs from federal aid to be given to a regular school system.

While these large sums can be spent for youth training, apparently without any interference with provincial rights, if one suggests the making of grants to secondary or primary academic schools, then there is the suggestion that in some mysterious way there will be some interference with provincial control of education.

We give grants to train persons for gainful employment, and the provinces appear to have no objection to accepting federal moneys for this purpose—provided, of course, that such gainful employment is not such as would be secured from an academic course of studies. We are told that if the expenditure is for academic education then, on constitutional grounds, it must be ruled out. We see that in the last three years nearly $6 million has been paid out of the federal treasury to assist vocational schools, and these sums have been accepted by all the provinces of Canada. I have not heard it suggested anywhere that the giving of this assistance for vocational education has interfered in any way with provincial rights. The suggestion is made that if the money came through the Department of Labour it could not be classified as educational aid.

Then in the last three years we have provided nearly $4 million in payments to provinces by way of capital expenditure on vocational schools. For the life of me I cannot see the difference between providing money to build vocational schools which train plumbers, automobile mechanics and the like, and making grants to schools that provide training so that one may become a lawyer, a doctor or a school teacher. These are some of the subterfuges we have to accept so that the federal government may make grants for education without, at the same time, appearing to interfere with provincial rights.

Education in Canada has suffered for a long time—as a matter of fact I suppose all through our history—because of the rivalry between race and race, religion and religion. I am told that the people of the province of Quebec do not want to accept federal aid. They fear that in some way the state will interfere with religious training in their schools. I find that in Ontario a large section of the province is afraid that if federal aid for education is extended, the Roman Catholics in Ontario or Quebec are going to benefit by such assistance. What is happening in the province of Ontario is that in order that the province may take advantage of federal grants for vocational schools at the secondary school level, the standards and requirements have been lowered for entrance to such secondary schools. Thus each year thousands of pupils are entering the secondary schools who can thereby be assisted by the federal grants that are made at the secondary school level —I am referring to vocational schools— whereas if they were kept back in the grades below grade 9 they would not be assisted at all by federal grants.

Is it not time in this country that we should consider the question of educational opportunity on its own merits? Surely it is just as important to a French-speaking Roman Catholic child living in Quebec to have a good education as it is to an English-speaking Protestant child living in Ontario. Surely we are able to forget our political differences in this house on the question of education. Surely we are able to forget our language and religious differences and unite to give to every Canadian child what is his birthright, the best educational opportunity that Canada —not Ontario, not Quebec, not Newfoundland—can provide.

Mr. A. J. Brooks (Royal): Mr. Speaker, this is a most interesting and important subject,

and I feel that the time is fast approaching when we will have to do something about it besides just talk. The hon. member for Saskatoon (Mr. Knight) has brought this subject to our attention on a number of occasions, and each time it has been talked out. This afternoon the Minister of Justice (Mr. Garson) presented arguments which I assume he considered were strong enough to persuade the house not to pass the resolution now before us. He pointed out particularly, as we all know, that education is something which, under the British North America Act, belongs to the provinces. I believe he quoted section 93 which says in part:

In and for each province the legislature may exclusively make laws in relation to education—

I am sure we all agree with that. That is as it should be. From reading our history books we know that if such an arrangement had not been made at the time of confederation by the fathers of confederation, it is very doubtful whether we would have the country that is Canada today. I know every hon. member here gives wholehearted support to the principle laid down at that time, and that no hon. member would wish to see it changed. However, I believe we can still support the resolution without feeling that it detracts in the slightest from the spirit or the letter of the British North America Act.

Hon. members who have spoken have pointed out that Canada is one country, and although we have ten different educational systems we all agree that equal opportunity should be given to each and every young Canadian. In the days of confederation education was not such a must as it is today. We remember that in the early days education was more or less looked upon as a sort of luxury for only the rich people, or for some of our professional people. It was felt that the majority of our citizens could very well get along without any advanced or even elementary education. As we progressed, elementary education in our schools took on the concept that there were three subjects which it was necessary for every child to know, reading, writing and arithmetic. I think this still should be the basis of our education in Canada today.

In addition, however, we all know that in the last twenty-five or thirty years we have advanced along technical lines. Today a boy or girl in a chosen walk of life must have a technical education. The farmer today must know far more than he knew a few years ago. The man who works in the forests, the mines or anywhere else must have a far better education today than twenty-five, thirty or forty years ago.

This leads me to mention costs. If we are to have better education it means greater cost to the people, the provinces and the municipalities, and that has been the case. In the early days only a very small portion of our taxes went for education. Today education is the biggest problem with which provinces and municipalities have to deal. It has become such a problem in my own province of New Brunswick and its municipalities that it is practically impossible for the people to bear the burden that has been placed upon them.

Mention was made this afternoon of the training of teachers and the great scarcity of teachers in Canada today. Someone said there is a shortage of 2,500 teachers in our schools. We also have this problem in New Brunswick, and today in many schools we are using locally licensed teachers who are very poorly trained. We also are using married women who, I may say, deserve great credit for having responded to the call and given up their work in their homes to go out and help with our education.

Mr. Speaker, I feel that if this resolution passed and consideration were given by the federal government to the matter of education it would be of more benefit to some provinces than to others, particularly those which are known as the poorer provinces of Canada. I also feel, speaking for the maritime provinces if I may, that we have a special claim for more aid than the rest of Canada, aid from the federal treasury in the matter of education. It is a well-known fact that thousands of our young people who have attended our schools and universities have had to leave our province and go to other parts of Canada to make a living. We have no estimate of the cost of the loss of those young people to our part of the country but there is no question in my mind, Mr. Speaker, that it has cost the maritime provinces millions of dollars in the past to educate young men and young women who have gone to Ontario, Quebec and western Canada. As I say, I think for that reason we have a special claim against the rest of Canada in that regard.

I will just quote the resolution, Mr. Speaker:

That, in the opinion of this house, the government should take into consideration the advisability of expanding and equalizing educational opportunity across Canada by the granting of financial assistance to the various provinces for that purpose.

I contend that the words "expanding and equalizing educational opportunity across Canada" presuppose that education in certain provinces is not as good as it is in others, and that educational opportunities in

certain provinces are not as good as they are in other provinces. There is no doubt in my mind that some of the richer provinces of Canada could and should help themselves. There is no reason why the federal government should give much help to the rich province of Ontario or to the proportionately still richer province of Alberta; but there is every reason in the world why provinces like Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland should receive special attention in this regard.

I would also like to point out in this connection, Mr. Speaker, that I feel we in the east have another strong argument for more assistance in the matter of education. It will be remembered that since confederation the three maritime provinces have not been able to extend their boundaries. In 1867 when the act of confederation, the British North America Act, was passed there were great lands known as the public domain of this country which belonged, as we thought, to every province in Canada. Since confederation the boundaries of Quebec, Ontario, Manitoba and the new provinces of Alberta and Saskatchewan, and even British Columbia, have been extended away to the north. We all know the great and almost unlimited wealth that has flowed to those provinces as a result of this extension of their boundaries. I claim that is a second reason why we in the east, circumscribed as we are, who have contributed so much to the progress and development of this country, deserve special consideration in this regard.

I would also like to point out that in my opinion the federal government has a special responsibility and obligation in connection with education. The federal parliament is responsible for the defence of this country. We know that during the last war when they were seeking recruits for the armed forces, many of the young men in Canada were turned down because they did not have sufficient education. If the government of Canada is going to call on its young men to operate tanks, airplanes and any of the other technical equipment used in war today they should also be responsible in the same way for seeing that these young men are qualified from an educational standpoint. There is also the question of federal civil servants, many thousands of whom are recruited from different parts of Canada. The federal government requires quite exacting standards of education of its civil servants and, if all parts of Canada are to be equally represented in the civil service of this country, they must all have equal opportunity of providing themselves with that education.

I spoke a moment ago about the poorer provinces. There is no question in my mind that the time must come, and must come soon, when these provinces which are so heavily taxed at the present time will have to receive further assistance in order to carry on their different services. I might say that my own province of New Brunswick is the most heavily taxed province in Canada today. If you look at the statistics for 1950 you will find that the per capita debt of Quebec was only $92.24. The province of New Brunswick had a per capita debt of $286.62. Anyone can see the great disparity between those provinces in the matter of per capita debt. I could go on and quote figures for the other provinces to show that disparities exist between them.

There is also a comparison of debt charge to revenue in the different provinces. The figure for Alberta, for instance, was 6·6 per cent, and that was the lowest in Canada. The New Brunswick figure is 23·8 per cent, one of the highest in Canada. This great discrepancy is one of the reasons it is difficult for some of the provinces to bear the burden which they are trying to bear.

I said a moment ago, and I think I can repeat, that a rich province should not receive aid. The minister this afternoon mentioned something about an item of $5 per head of population, or some amount of that kind. Frankly, Mr. Speaker, I do not think that money should be distributed in that manner. It should be distributed, if an act is put through this federal house, according to the needs of the different provinces. If one province needed $1 per head, that is the amount that should be paid to it. If some other province needs $5 that is what they should receive.

I might say that while we are having so much difficulty raising money to look after the schools in our province, I do not think our schools have been neglected. I know that in previous debates in this house the maritime provinces have been held up as a horrible example. Well, anyone who is acquainted with the educational history of this country knows that in years past we have made as good provision, if not better, for the education of our young as any other province in Canada. I might say that in recent years in the province of New Brunswick we have built many fine schools. There are no better schools in Canada than you will find in our province. We have also increased the salaries of our teachers, and today I think the minimum salary of a teacher in our province is $1,200 a year. I forget what the average salary is. We have

also improved the equipment in our schools. But in order to keep up the schools in the province it has been necessary to neglect some of our other services. For instance, our roads or some other public services of that kind have had to be neglected.

I do not believe it is necessary for me to labour this point, Mr. Speaker. The hon. member for York South (Mr. Noseworthy) has pointed out that there are many precedents for assistance from the federal government to the provincial government. He spoke about the vocational school assistance, as well as the assistance for veterans and the money which is now being paid to the universities of our country as a result of the Massey report. To my mind this is indeed a responsibility which the federal government must assume within a short time. Again I say I do not believe there is any necessity at all for the federal government to interfere with the rights of the provinces in so far as schools are concerned. As a matter of fact the provinces would not stand for such a thing.

If we are to have well educated people in Canada, if we are going to give the boys and girls in Canada the education to which they are entitled, then the provinces must have the money to provide this education. How it is to be done I do not think poses any great problem of statesmanship. Surely in this House of Commons, in the government of this country, the means can be found. I am sure that if it is the will of this house, a way certainly can be found.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, the motion we are now debating surely has one good point, that is to bring the attention of members of the house to the important matter of education.

I understand that the majority of the previous speakers stressed particularly the dangers that may arise from the constitutional point of view. I have no intention of lengthening the debate on that aspect of the matter, although I may say a few words about it towards the end of my remarks.

I would like to digress for a moment and say something about the danger facing education as well as the way in which we seem to shrink away from our responsibilities towards the young people it is our duty to educate.

I have here an item published in the Toronto *Star,* giving the results of a survey made in the United States regarding for instance the religious guidance given our youth. The man who made the survey found that 20 per cent of our young people are well educated, especially in the United States, while 20 per cent only are recognized as having religious principles.

This survey shows that, far from being radical, the young people seemed little concerned about giving their own opinion; they are especially, to a certain degree, and in the broader sense of the word, conservative with respect to the principles on which they could base their answers to the questions that were asked. According to the report, less than 20 per cent of those who were questioned, that is, 1,935, whose ages range from 18 to 29, answered that they found little guidance in religion in deciding either how to live, or what political principles to adopt, for instance, with regard to relations between races. This survey showed also that there is nothing to prove that those who believe in God will show more tolerance towards other races than those who have no religious principles, that is the agnostics; as a matter of fact, the latter are more inclined to think that all races should be considered equal. That certainly is not the Roman Catholic theory; we hold that the human being is a noble being, that every man is holy, be he white or black.

As far as opinions about sex are concerned it would seem that our young people tend to seek a better understanding of these matters. About one-third of those interviewed believe that there should be no hushing up of theories about sex. According to them this is neither necessary nor desirable.

I am still on the subject of education, Mr. Speaker. Here are some statistics because I do wish the house to understand that we have enormous responsibilities towards our young people, especially as concerns the guidance our teachers must give them. Our teachers must instruct our young people, they must take charge of them when our boys and girls leave home to go to school or college.

With regard to politics—still according to the inquiry—the more the young men get away from religion, the less they consider that the Democratic and Republican principles are adequate to meet the nation's

needs. Of course, if on account of some shortcoming in our educational system, our professors do not attach enough importance to the advice they give to young people in regard to various forms of governments that may exist in the world, for instance in regard to social security, government controls or state paternalism, it is imperative that the competent authorities guide our professors in these particular fields, so that they may acquire a more detailed knowledge of the various kinds of governments and political theories, in order that they may be in a better position to show our young people how to be better able to judge the good or bad influence they may derive from certain political theories.

There are many who believe, for instance, that there is an enormous difference between the philosophy of nazism and the communist philosophy. I shall quote Marx and Hitler to prove that the difference exists rather as to details, but not as to principles.

According to Marx, the democratic concept of man is false because it is Christian. Democracy claims that each man is a sovereign being. That is the dream and illusion of Christianity.

As for Hitler, he says: to the Christian doctrine claiming that each man has an immortal soul, I oppose with perfect clarity the redeeming doctrine of the nullity and insignificance of the human being.

I said a moment ago, Mr. Speaker, that our education must absolutely be directed in such a way that our young men and women may have a more detailed knowledge of the different economic and philosophic systems, in order that they may profit from the benefits that our democratic institutions may provide them. It results therefrom that, in addition to the social science studies contained in our programs, some particular stress should be put on the study of social security, not only from a material point of view, but also from the intellectual, spiritual and moral angles. Indeed, these courses should only be taken after sound primary studies, during which priority must be given to spiritual and moral values.

To prove the point I have just made, that education should be as sound as possible, but chiefly to give a spiritual and moral trend to our education, I shall quote from a speech made by Dr. Jean Spekkens, a professor of French at the University of Ottawa, about the 20th of March, 1952, I believe, before the members of the Richelieu club of Ottawa. Dr. Spekkens, a Dutchman who came to Canada not quite six months ago in order to teach French at the University of Ottawa, said: "The danger resulting from the too rapid growth of industry is that the student is taught too much practical knowledge, while not enough interest is taken in his intellect."

Dr. Spekkens sums up his remarks by saying that, on the whole, the teachings and advice given to students should lean towards the elimination of materialism and the raising of intellectual standards.

Consequently, even if we have to consider the constitutional aspects of our educational problem, one must consider also the result which it may bring forth in the minds of our youth, so that when these young people succeed us in the management not only of public affairs, but particularly of social security, they may be in a position to give that general leadership which can make a people good and strong and lead it towards a philosophic and moral system consistent with our institutions as we see them today.

It is my understanding that a member from the province of Quebec, speaking on this subject of education tonight, is bound to at least express his opinion on the motion now under consideration, which I shall read once more:

—the government should take into consideration the advisability of expanding and equalizing educational opportunity across Canada by the granting of financial assistance to the various provinces for that purpose.

If I am not mistaken, the general idea is that the provinces and the municipalities of the country need more money in order to devote greater amounts to education. Evidently, I am not in a position to know how critical the situation of the other provinces is: I am conversant only with the situation in my own province. My province benefits from the existence of a fund for education, a fund which is well-filled through the collecting of taxes which are supposed to be applied to education.

Under our federal system, the provinces are supposed to enjoy full autonomy in the important field of education. I think, and I suppose the majority of the members of this house share my view, that to act otherwise would be to sow seeds of discord among the population of our country and to endanger our nation itself.

The rights of the provinces are supreme in the field of education. The citizens of Canada ask but one thing, that the provincial authorities make an intelligent use of their rights and of their autonomy and that they keep politics out of that vital matter.

The word "education" should never be used to hide political motives. The money collected for education should never be used for any other government program, even though provincial authorities deem advisable to use the money for highway projects, as happened in the past. Should there be a surplus in the fund earmarked for education, let us give it to universities who need the money badly. I would like to quote an item from *Le Devoir* reproduced in *Le Soleil* of December 31, 1952. You will see what *Le Devoir*, which is an independent paper or, at least, is considered as such by the majority of the readers and of the people, has to say about the federal grants which were made last year and offered again this year to universities of the provinces. In quoting *Le Devoir* I do not believe that I am quoting a paper which gives its undivided support to the federal government.

To refuse such necessary assistance—

That is the grants which the federal government wants to give universities.

—would prejudice the very principle which we are seeking to uphold, i.e., autonomy in the field of education. If our universities were richly endowed —or if they had enough money to live instead of merely existing—the problem of federal aid might never have been raised. It is only after surveying the financial situation of the universities that the Massey commission asserted its conviction that the problem is one for the whole nation to consider. Had the universities not been so hungry, they undoubtedly would not have accepted, through sheer greediness, the gift offered by Ottawa. They would have repeated, "Timeo Danaos et dona ferentes". Because one may be justified to steal to save one's life so our universities accepted the money which they needed. To solve the financial problem of the universities would be to safeguard autonomy against coercion. By allowing it to subsist we might ward off centralization for a time but we make it inevitable, because poverty is a bad counsellor.

The same paper, speaking of the question of pupils and teachers, said this—and I am again quoting the August 21 issue of *Le Soleil*:

If the provincial state does not wish to see the colleges take federal subsidies, it must immediately revise its system of grants and adapt it to changing times. Colleges, like everybody else, need money; whether they be in charge of the laity or the clergy. The state will soon have to help them out to a far greater degree that it does now.

Education

The Sherbrooke *Tribune* speaks in the same vein of rural schools. There is much talk nowadays of the pressing need of municipalities for provincial or federal grants in aid of education. The *Tribune* then says this:

Rural schools, like large urban institutions, will soon be reopened. It so happens though that, in a large number of places, there is a shortage of teachers. This shortage would certainly not exist if, in certain rural districts, there was not such an attempt to scrimp and save on the remuneration of those who, by taste as well as by special training, formerly looked to a teaching career.

The Three Rivers *Nouvelliste*, which is read by a great many members, wrote:

Many who remained faithful to the career (the teaching profession) are only too willing to desert it for better paid employment. Teaching is often in the English provinces only a stepping stone. Thousands of examples could be mentioned. The situation is not quite so critical in the province of Quebec. That is due mostly to the contribution of the teaching orders. But even the teaching orders admit that they have not enough members to comply with all the requests which are made to them.

Therefore, there are two things to remember: our educational institutions—our universities, our colleges and our rural schools—need much more money to increase their contribution to education. Besides, if the federal government cannot, as they did last year, extend grants to universities; if the universities cannot, for reasons that I do not wish to discuss here, accept federal grants, then let it be said, as *Le Devoir* has done. If our purpose is to preserve autonomy by opposing all federal grants to universities, then let the provinces themselves consider larger financial help to the universities. Our provincial educational fund is quite large and, if and when a surplus exists, we could offer more to universities which thus would no longer be obliged to accept federal money.

Clearly, as a representative of the province of Quebec and as an out-and-out autonomist, I cannot vote in favour of this resolution, whereby we are asked "to equalize educational opportunity across Canada by the granting of financial assistance to the various provinces for that purpose."

As I said before, Mr. Speaker, I believe in autonomy. My acts are in accordance with my words when I think of the autonomy of my province in the field of education, and if there is an autonomy which is to be respected, it is that one; if we want education to receive the grants it needs, let us be serious, so that the autonomy granted the provinces under our constitution may be well used, well felt; it should be considered and observed not through the glasses of politicians, but through those of citizens who really believe in provincial autonomy.

We sometimes have some trouble; my French-speaking and Catholic compatriots sometimes have educational difficulties because of the provisions of our constitution. Tonight I shall not discuss the merits or demerits of certain claims made by my compatriots. The fact remains that they are in a difficult situation in certain districts as far as the teaching of French is concerned. That should not exist in a country like Canada. I believe it a fundamental principle that the taxpayer should have the right to enjoy whatever services are derived from the taxes he pays. Therefore, such a clause should be included in any declaration of human rights. We should also be determined to respect it and have it respected.

What purpose would there be in having a declaration of human rights, unless it embodies that fundamental principle, unless we are determined to enforce that fundamental right of the taxpayer to benefit from grants made by various governments. Such a situation should not be because the taxpayer has a right to his share. The province of Quebec gives a striking example of the fullest understanding of what should be an educational system in a province where there are rather marked ethnological differences.

A few years ago I quoted a statement from the secretary of the Protestant Board of Education of the province of Quebec, Mr. W. T. Percival, director of the Protestant schools in that province. He is reported by the *Ensign* as having said, on May 20, 1950, that education, in the province of Quebec, is just like a fairy tale. He was referring to the tolerance between Protestants and Catholics. He said that the development of Protestant schools in the province of Quebec could very well be likened to a fairy tale. Why is that so, Mr. Speaker? Because we respect the rights of minorities in the field of education and teaching. Therefore in a country such as ours our French-speaking citizens should really not have to press any claims with regard to their right to receive instruction in their own language and also to receive their part of grants in aid of education, whether their children go to public or denominational schools.

Mr. Speaker, it is unfortunate that, when we have any claims to press, or when we are in some trouble, some of our compatriots give up. I do not really know what to think about all this, and I will pass no judgment. It is sad to hear them, sometimes, not only in the field of education, but also when we meet with certain difficulties from a financial or constitutional point of view.

The other day we heard a lecture given by one of my compatriots who said: Must the province of Quebec leave confederation? I do not think that the province of Quebec must leave confederation; that would be the end of Canada and of confederation.

I do not wish to speak too much or elaborate too much on this lapse on the part of one of our public men.

It seems to me, Mr. Speaker, that we have here a striking example. When an army commander sees his army engaged in battle, no matter how serious the battle, no matter how numerous his enemies are, if he is courageous, he does not leave the battlefield, he does not ask his soldiers to leave the battlefield; on the contrary, he goes on fighting and, like Henry IV, he says: "Follow the plume of my helmet, it will always lead you to victory". This commander tells them not to leave the battlefield, but to go on fighting in order to achieve victory and "pour emporter le morceau" as we say in French.

The province of Quebec has been part of confederation since 1867. It has always played a leading role and it continues to do so. I would not like it to be said in any quarter that the French Canadians are quitters, that the moment they meet with difficulties they are prone to say: We are going to secede from confederation.

Mr. Speaker, since 1867 this question of autonomy has always been discussed, and the province of Quebec has done so in the most objective way possible. We are still alive, we have kept our institutions, we speak, sing, discuss politics in French, and we speak English as well as French. We are still free. Since 1867, this question of autonomy has come up regularly.

Mr. Speaker, before speaking of autonomy we should begin by making good use of it. We should first know what it means. Tonight we are speaking of education, a matter that is closely connected with autonomy and in regard to which autonomists are always ready to uphold their rights.

Therefore, I cannot vote in favour of the motion, because I believe we should wait and see how the provinces will act, whether they will decide to accept federal grants to their universities, their colleges—grants to the educational fund as we say in my province. Let the provinces speak. It is not up to us to tell the provinces they should accept this or that arrangement. It is not up to us to tell them that we, in this house, have adopted a motion which would request the govern-

ment to distribute to our schools grants for educational purposes and see that these were properly apportioned. Consequently I am opposed to it. If there is one thing the people from the province of Quebec for the most part have no wish of doing it is to show signs of weakness by wanting to go their own way. If we have discussed the question, a thorny one admittedly, it is only because I and most of my compatriots do not fear to go forward. No, the province of Quebec entertains no thought of slacking. That is not her style, as she has always shown.

I believe, Mr. Speaker, that this motion will at least have one good effect. It will have enabled us to speak our minds clearly, fully, with no political reservations, to discuss objectively and ask our leaders in the province of Quebec to keep up the struggle from the point of view of autonomy, but on a higher plane. That is what this motion has allowed us to say in this house.

(Text):

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, I should like to speak briefly on the resolution before us at this time, which envisages aid by the federal government to the provinces and therefore presumably would include aid in respect of education at all levels, from the secondary schools up to and including universities.

Although I could not follow the hon. member for Portneuf (Mr. Gauthier) as well as I should have liked, I know he did cover educational problems at various levels, including those of the universities in his own province.

This afternoon the Minister of Justice (Mr. Garson) suggested that, in so far as the burden of education in respect of high schools and secondary schools is concerned, the cost must fall upon the municipalities and provinces, and that within the framework of the tax agreements the provinces will have to find the money with which to finance the necessary educational projects. In that connection I was struck by what is contained in the daily bulletin of the dominion bureau of statistics which, I have no doubt, was received by all hon. members this morning. Glancing over it, I saw on the first page this amazing statement, that the secondary school enrolment in Canada, exclusive of Quebec, is expected to double in the course of the next twelve years. In 1951 the number of students in the secondary schools of the nine provinces was 296,900. Last year it was 298,000. In 1953 it is expected to be from 305,000 to 313,000, and in 1964 somewhere between 569,000 and 611,000.

If the bureau is correct in its estimate, and it usually is, we will see within the next few years a doubling of the school population in this country at the secondary school level. I think every hon. member will admit that today municipalities and provinces are finding it most difficult to finance their present burdens. If the school population is to be doubled, how can they finance with the revenues now available to them?

I suggest that these figures in themselves show the absolute necessity for a reconsideration of this whole problem, and for intervention by the federal government to assist the provinces. I am not reiterating what was said today by my leader and others when I say that what I suggest would in no way impinge upon provincial autonomy. What is the use of provincial autonomy if the schools are so crowded, as they will be within the next few years, that they cannot provide the facilities with which to educate our children?

This is a time for vision, imagination and courage. Due to war conditions, increased marriages, heavy employment, and immigration policies, we are finding a tremendous increase in our population. Some means must be provided whereby this increased population can be served, and I suggest this resolution is one step in that direction.

I know that in my own province today teachers are not paid on the scale on which they should be paid, or a scale sufficient to attract the necessary number of men and women to that profession. Each one of them could earn more money in some other field. How can we have a strong and virile educational system when our school teachers do not earn as much money as mechanics or tradesmen who, entitled as they may be to a proper wage, do not have to spend the time required by teachers in acquiring professional knowledge, nor do they have to carry the same responsibilities. We must always keep in mind that we place the training of our youth upon the shoulders of our teachers. These are the statements we make so often and, while I do not wish to repeat old clichés, I do say it is time we did something more than repeat these statements. It is high time we did something to improve the situation.

In my province we pioneered in establishing the first free schools in this country. We blazed the trail in matters of education, and in many ways we are still doing it. I know one hon. member who now serves in this House of Commons who knows intimately the problems with which we in Nova Scotia are confronted. I say without hesitation that

that problem cannot be solved unless we receive federal assistance at some level such as that proposed in the resolution.

I have already made reference to the grants to universities, and the basis of distribution of those grants. In that connection I should like to refer to an editorial which appeared the other day in the Halifax *Herald*. I do not propose to quote it at length but, inasmuch as other newspaper reports have been placed on the record to set out the educational problem, perhaps I might be permitted to quote briefly from this editorial. It says, in part:

> As the days pass without a sign from the federal authorities, the anxiety of Nova Scotians over the distribution of federal aid for higher education naturally deepens. The fear is that, unless the authorities recognize the disparity which has existed and adopt a fairer system of distribution, our universities will have to operate for still another year with less assistance than those in other provinces.

And then it says:

> Nova Scotian universities have not asked for special consideration, but merely for parity, for fair play.

Our universities are not subsidized by the state, but depend upon private support. In a relatively low-income area support should be forthcoming from the state, and those grants should be on a basis of a strict payment per student, rather than on a basis of 50 cents per head of population, as now obtains.

I dealt with this matter at some length on an earlier occasion and shall not go into it in detail now, more than to say that I hope when the Minister of Finance (Mr. Abbott) introduces his budget he will announce that a new system has been inaugurated whereby grants will be paid per head, per student, rather than on the basis of a certain amount per head of population as it is now. The method I suggest is the one that was followed by the government in financing the education of our veterans. I am sure it takes pride in its record in that regard, and I am sure, too, that the universities and students concerned found that it was a most satisfactory procedure.

Mr. Cruickshank: Hear, hear.

Mr. Nowlan: My hon. friend says "hear, hear". I hope he will say that to the government, and see to it that it changes the basis upon which it is now operating, so that it may give aid to students in the manner I have indicated. Certainly if that is not done, then the least that must be done is to change the provincial basis under which we now operate and with which I dealt a little while ago. The universities just cannot carry on today with the moneys that are available to them,

nor can students go to university. I have figures here taken quickly from the Massey report which show the situation so far as students are concerned in both secondary schools and universities. That report, as many of us will remember, stated that out of every 100 students entering common school only 22 finish high school and only three graduate from college. The report goes on to say that of those who dropped out, 54 per cent did so for economic reasons. In other words these students could not afford to finish high school and go on to college. That is a situation to which attention should be paid.

When you look at another table in the Massey report you find that so far as colleges are concerned—I only have the figures which the report uses, from 1943 to 1949; I have not gone beyond that—the income of universities derived from students increased from 34·3 per cent to 48 per cent, and it was still increasing. You find that the income derived from endowment had fallen from 15·9 per cent to 8 per cent, and that the income from provincial governments by way of grants had fallen from 40·5 per cent to 32 per cent. Yet at the same time the amount the universities were paying out per student had decreased from $515 in 1943 to $433 in 1949. Despite the depreciated value of the dollar and the lost purchasing power, the actual dollars spent by universities per student had fallen from $515 to $433. So you have the amazing situation that the students were paying more, that their actual proportion had increased from 34·3 per cent to 48 per cent, yet they were receiving substantially less. The reason for that of course is that the universities just could not get the money elsewhere. They have been raising fees and raising fees until students can scarcely pay them.

That brings into focus one particular matter which I should like to mention, the reference in the Massey report to scholarships for students. That is one way the government can aid the educational system at the moment. We will remember that the Massey report urges the government to inaugurate a system of national scholarships whereby worthy students can receive aid and go on to university. If that happened it would reduce the load of the universities because their plant and equipment are there, and the more students they get the easier it is for them to operate. Such scholarships would go a long way toward solving, at least on a university level, the problem to which the resolution refers. It is a direct recommendation of that report, Mr. Speaker.

This is a matter which demands immediate attention. When you scan the figures I have

given showing increased costs you realize how difficult it is for students to continue with their education today. As we are entering educational week and the attention of the nation is focused on that, I would suggest and urge that the government carry out that recommendation and announce this spring a system of national scholarships for students throughout the nation.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, earlier in the day I was informed while in my office that some reference was made to me by the hon. member for Saskatoon (Mr. Knight).

Mr. Gibson: Don't pay any attention.

Mr. Harrison: At the time I was attending to certain matters of importance to some of my constituents, but I came down to the house to see what the—

Mr. Laing: Fuss.

Mr. Harrison: —trouble was all about. I was not able then to read a transcript of the hon. member's speech, and by the time I entered the house he had passed the point in his remarks where he was alluding to me. I was not able to see a transcript until after supper. However, I have now given it a cursory examination and I think it requires an answer. I think he found it to be somewhat a matter of mirth that I did not take his motion exactly at its face value, and that I had perhaps suggested in other places that there might be some political intent in addition to the very fine spirit conveyed by the wording of the actual resolution.

I am in complete agreement with the hon. member for Red Deer (Mr. Shaw) when he says that at some future time this very desirable resolution will likely be implemented, or that something will be done along this line. However, I have searched in vain in the remarks of the hon. member for Saskatoon and other members of his party for a solution to the problem and a way of making this most desirable motion effective. The only thing I have heard from any of these hon. gentlemen is that we should pass on some money from the federal treasury to the provincial governments and that they should be allowed to spend it without any supervision whatsoever.

I take issue with that, and I have certain reasons why I think it should be taken issue with. The principle of taxation without responsibility is not a very good one. The idea of asking the federal government to tax the people of the country and hand the money on to somebody else without any supervision of the spending is not a good thing whether the money is for education or something else.

It has been suggested that we follow such a procedure in other cases, and that is quite correct. So far as health is concerned we hand money over without supervision, but education is something a little bit different. Education, particularly in the province of Quebec and in other parts of Canada as well, is very closely allied to religion. In fact I defy anybody to draw a distinct line between the two. In order to bring this matter to your attention a little more strongly, I should like to refer to an incident that occurred in my riding. I am trying to show why we cannot give money willy-nilly to the provinces. In my riding last year we had a teacher who was employed by the larger school unit as an extra teacher. He went around and filled in where teachers were absent from work for one reason or another. I was told by the parent of some children whom he went to teach one day, together with other children, in the town of Glenbush, that in the course of his remarks he told them there was no God, that they were wasting their time going to church, and that they could spend it much better in some other ways. Protests were made by the parents of these children, but apparently they were disregarded.

The point I wish to make is that if the federal government is going to tax the people of this country in order to be able to hand money over to a province which cares not whether that type of thing is taught to children in our schools, then I think the people who are paying federal taxes will rise up in arms before they will allow a thing of that kind.

The hon. member for Saskatoon (Mr. Knight) said he found some enjoyment in the fact that I had mentioned that I thought there was some political intent. Possibly we have not his developed sense of humour, but I gather that there was not any great applause or show of humour in this house at that remark. I would suggest that possibly the C.C.F. party is amenable to that idea, that that kind of thing should be taught in the schools. If they can show me otherwise; if they can show me any possible way this very desirable motion can be put into effect, I will be very pleased to support it; but I cannot support the idea that we pass money along to any province without some safeguards. I think the object lesson I have just quoted is a good case in point to show why we should not.

I might also add, concerning the particular remarks I mentioned, that the parent told me that the gentleman mentioned made a mockery of religion and a mockery of church with these children. The parent said his

children were quite put out about it and so was he; and I do not blame him in the least.

With respect to the other allegation the hon. member for Saskatoon put on record this afternoon, I think perhaps I can find some further support. Certainly I am not the only person who thinks there might be some political intent. Just recently we have had some outbursts from the premier of Quebec, a gentleman who might have considerable to say before any changes are made in our educational set-up. Mr. Duplessis says:

> Education has guaranteed survival of Quebec's religion and language traditions and could never be surrendered.

That is fairly emphatic. Another headline reads:

> Duplessis says "Encroachments" question of "Life and Death".

Well, I think he has his eye on the motion of the hon. member when he says that; and I just wonder whether the hon. member for Saskatoon does not himself subscribe to the idea proposed by the school teacher in Glenbush. Some weight might be lent to the suggestion that he does, because I have here a report from the Saskatoon *Star-Phoenix* which says that the hon. member for Saskatoon went to the town of Meadow Lake and asked the people there to support that gentleman in the forthcoming election and elect him to this house. That would lend some support to the idea that possibly the hon. member for Saskatoon supports that gentleman's ideas. He at least supports him, although the latter is an avowed atheist. He picks this gentleman, or his convention does, and he immediately supports him and tells the people of Meadow Lake that he is the man they should send to this house.

Mr. Knight: May I ask the hon. member a question?

Mr. Harrison: You may ask it.

Mr. Knight: First of all, has my hon. friend any evidence that this particular occurrence took place in the school, or is it merely gossip or hearsay? Secondly, has he any evidence to show that I have any acquaintance with the gentleman who was nominated and any acquaintance with his religious or other opinions?

Mr. Harrison: I have no evidence that the hon. member knows what his religious beliefs are, but I have evidence here to show that the hon. member went to Meadow Lake to support the gentleman; and having been very closely allied—

Mr. Knight: Mr. Speaker, on a point of privilege, the hon. gentleman is basing his whole case on hearsay. In the first place he says that some gentleman was nominated—

An hon. Member: That is not privilege.

Mr. Knight: —at Meadow Lake. According to hearsay he told children somewhere that there was no God, or he made some other irreligious statement.

An hon. Member: What is the question?

Mr. Knight: My hon. friend presumes I knew of that, and he said that in spite of it I supported the gentleman. My only contact with him was because there was a convention there and I went to make the main speech in the evening after the people of Meadow Lake, constituents of my hon. friend, nominated their candidate. I have no idea of his religious views, any more than I have about the religious opinions of my hon. friend.

An hon. Member: Tell them what you said about the maritimes.

Mr. Knight: I could tell you lots of hearsay and gossip but I would not think of doing so. I would not stoop to it.

Mr. Harrison: The hon. gentleman wanted to know the name of the gentleman who was nominated. If he does not know who was nominated there, he should.

Mr. Knight: I don't want the name, I want evidence.

Mr. Harrison: I want to make this speech now, and you can make yours tomorrow.

Mr. Knowles: It is not a speech, it is just gossip.

Mr. Riley: Tell us what he said about the maritimes.

Mr. Harrison: I want to explain again some of the humour of the member for Saskatoon. Here is an idea of it from a headline in the Saskatoon *Star-Phœnix*:

> Knight says maritimes fear-ridden.
>
> Residents of the maritime provinces do not enjoy the right of free speech, according to R. R. Knight, C.C.F. member for parliament for Saskatoon.
>
> Speaking at a public meeting of the Saskatchewan branch of the C.C.F.—
>
> "I think in Saskatchewan today we are the freest people on the North American continent," declared Mr. Knight. "When I think of the state of political fear in which many people in eastern Canada live, I am thankful that I live in the west."

Mr. Riley: We are thankful he lives there too.

Mr. Harrison: It goes on:

> —on many occasions—people would like to go to the C.C.F. meetings but the night is not dark enough—

Mr. Riley: The night is not dark enough for us to listen to him.

Mr. Harrison: That is some of the hon. gentleman's humour.

To deal somewhat one-sidedly with another matter with which he dealt—and it cannot be otherwise because he was a spectator on the sidelines—I will refer to a letter that was sent to me last year by the Saskatchewan school trustees association. I will also mention the very fine deal the hon. member said the Meadow Lake riding was getting in the way of educational grants from the provincial government. I think the hon. member for Saskatoon said we were getting 72 per cent of our educational cost from the provincial government. If those figures are correct there is some reason to question why the people of the town of Meadow Lake are called upon to pay 42 mills for educational purposes, while in the surrounding area they pay 38 mills on agricultural lands. Those are correct figures because I got them from a member of the larger unit board.

However, to put the record straight I will deal with the letter which the hon. gentleman quoted this afternoon. He said that 20 members of parliament had been sent this letter, and when I said I was waiting for my copy he could not understand it. The Saskatchewan school trustees association could not understand it either, and they know a lot more about it than the hon. member. I know a lot more about it, too, and I am the only one in possession of all the facts because the letter finally reached me and I know how it came here. The letter that he put on *Hansard* was dated March 25 at Regina. Oddly enough it reached here on March 24, a day ahead of the day it was written.

Mr. Gibson: An advance copy.

Mr. Harrison: This particular letter, Mr. Speaker, asked me to apologize in the house for something I had not said; and I think the school trustees association are convinced of that now. I wrote to them and cleared the record on it. I gave them chapter and verse, and so far all I have had from them is a very nice letter from the secretary saying he had received it, and taking no issue with it whatsoever. So I can take it from that, I think, that my letter was fairly correct.

The main reason that I did not get my copy of the letter was that they sent the other 19 Saskatchewan members' letters to the House of Commons. We were sitting at that time, and I had allegedly made this speech to which they took exception. My copy of the letter was sent to Meadow Lake, a place in which I do not live even when I am home. This letter went to Meadow Lake and then to Medstead, where I do live. It was then forwarded to the House of Commons, but by then I had gone home for the Easter recess so it followed me on to Medstead. I finally got this letter, which is dated March 25, 1952, on April 15.

I believe I covered the points fully in my reply to this letter. Since the hon. gentleman has put the other letter on the record, perhaps I had better read this reply into the record. It is addressed to Mr. Z. M. Hamilton, secretary treasurer, Saskatchewan school trustees association, and it reads:

> Your letter of March 25 with copy of your press release of March 22, finally reached me on the 15th of April. A glance at your copy will immediately show the reason for the delay in its reaching me. Similar letters sent on the same day by your office to 19 Saskatchewan members were received here on the 24th of March, a day before they were officially written. In every one of these 19 cases they were addressed to the House of Commons—for some reason, best known to your office, mine was dispatched to the town of Meadow Lake—

Mr. Knowles: They think you should not be here.

Mr. Harrison: I am omitting some of the parts because this letter is lengthy.

> After reading your press release here in the house on March 24, I waited patiently for your letter for a couple of weeks before I made any statement, as I did not want to be guilty of the same offence which you committed, namely, discussing something that I had never seen. At that time, however, seeing no letter had arrived, it was necessary for me to put the record straight in view of your hasty and incorrect conclusions drawn in your press release. Had you read my speech first, I have no doubt but that you would never have put out the press release that you did, because nowhere in my speech can you find anything, either directly or implied, as even remotely suggesting that the school trustees association had anything to do with the 1,558 schools either closed or without qualified teachers in Saskatchewan. I was attacking provincial government policy, and provincial government policy only, which basically was the inability of school boards to go out and bid for qualified teachers' services—in other words, by placing ceilings on the wages of various classes of teachers, they had short-circuited the system of "supply and demand" to the end that in six years time we had 558 school rooms open, which were without a qualified teacher, but instead, a sitter.
>
> As a school trustees association, you are quite likely familiar with the conducting and marking of efficiency contests. In the light of this I would like you to assess the press release that was carried so unanimously by your executive meeting. The first essential in criticizing anyone or anything is to properly identify them so that people will know who or what you are talking about. The first thing your press report does is to identify one J. L. Harrison, as M.P. for Meadow Lake. No such man has ever sat for Meadow Lake or any other constituency in Canada since confederation. I trust that you will say that this is a typographical error. It is still an error, and error No. 1. Error number two, is your statement that my speech was false and malicious, causing great injustice to school trustees and teachers in Saskatchewan. As school trustees were never mentioned, and the only thing I suggested about teachers was that boards be allowed to compete for their services on a market of short supply, it is hard to imagine how anyone could construe this

as being one detrimental to the teachers. Your third error is that, "Mr. Harrison is ignorant of the true situation of education in Saskatchewan and the benefits obtained by his home town of Meadow Lake". Meadow Lake is not my home town, but is 85 miles away from it. This you will also wish to claim as an error, and I am prepared to allow it as such. Assuming that Meadow Lake is my home town, however, as you do, the fourth error still remains, that I am ignorant of the benefits obtained by Meadow Lake. Let's just see who is ignorant here, or whether we both have the same understanding of the word "benefits". Certainly the people of Meadow Lake are not aware of these benefits; and far from being ignorant of the situation, I took the trouble to inquire, as late as February before coming down here, from a member of the larger unit board, as to the status quo in Meadow Lake, and got the following information: The town of Meadow Lake has a mill rate for school purposes only, of 42 mills. If this is beneficial, those members of your executive who are so unanimous about everything, should make it their business to go to Meadow Lake and explain it to the people there. For my part, I defy you to find any town in Canada outside the borders of Saskatchewan, that has a mill rate even approaching 42 mills for school assessment only. I was further informed by this member of the larger unit, that the surrounding hamlets were assessed at the rate of 40 mills for school purposes; and something which no one outside of Saskatchewan can believe, is that farm property owners are assessed 38 mills for school purposes. If you knew of these figures when you talked so glibly in the press of the beneficial situation existing in Meadow Lake, then you have a very different idea of what the word "beneficial" means, than I have. If you are going to tell me now that you did not know of these figures, then my question immediately is, who is really ignorant about the situation at Meadow Lake, myself, as you claim in the press, or your association? I think you had better justify the figures to the people of Meadow Lake or admit that you are ignorant of the situation. The fifth, and I think the worst error is, publicizing the fact all over the country that you are writing all Saskatchewan members of the House of Commons, including myself, asking me to apologize for something I have never said, and then shipping my letter off to Meadow Lake. I do not think that you would want to tell me that you did this intentionally, and I do not think you did, myself. The most charitable view of it that can be taken is, that it was another error.

If the foregoing had been entered in one of your efficiency contests, I have no doubt it would get a rating of zero. If not, I would be interested to learn what standards you use.

I am always quite ready to render apologies when I have mistakenly wronged someone, and I don't have to do that very often. Frankly, however, on the record, I ask you, who should apologize to who? If you are fair, your answer will be clear.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but it is not usually in order to read into the record such long quotations. I think the hon. member should perhaps give the general tenor of the arguments contained in that letter or document, and not put the whole of the document on *Hansard*.

Mr. Harrison: The first letter, to which this is a reply, was placed on the record in its entirety. Possibly there are some parts of this letter that I could skip, and quote the concluding paragraph. I am putting the letter on the record to keep the record straight, as it should be if the matter is to be discussed at all. I believe my hon. friends will agree with that. I shall quote the concluding paragraph:

In all the foregoing, sir, nothing is aimed at you personally, as I am quite aware that you are a hired secretary, and therefore have to do what you are told.

The letter finishes on that line of thought. He replies as follows:

I would like, at this time, to express to you my appreciation of the last paragraph of your letter where personal reference has been made to myself.

I believe that clears up the matter so far as we are concerned. The matter of federal aid is something which, on its face and as put on the order paper by the hon. member, is desirable. As soon as my hon. friends across the way will introduce some system of making it effective, other than just handing money over for someone to run around the country and preach atheism, I shall be glad to support the measure.

Mr. Knight: That letter is proof that we need federal aid.

Some hon. Members: Ten o'clock.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will consider the following measures: First, the motion standing in the name of the Prime Minister relating to Mondays and Wednesdays; then the motion in the name of the Minister of National Revenue concerning the setting up of a committee on broadcasting; then third reading of Bill No. 45; then the resolution in the name of the Postmaster General to amend the Post Office Act; Bill No. 103, to amend the National Defence Act; Bill No. 102, respecting the royal style and titles; Bill No. 105, respecting the liability of the crown for torts and civil salvage; Bill No. 38, respecting the Saint John Bridge and Railway Extension Company; Bill No. 19, to amend the Canadian Vessel Construction Assistance Act. These are small bills.

Then we shall take up Bill No. 39, to amend the Canadian Overseas Telecommunication Corporation Act; Bill No. 40, respecting the appointment of auditors for national railways. If we have time left, we shall take up Bill No. 44, to protect the coastal fisheries.

Mr. Graydon: You may bring in the budget after eight o'clock.

Mr. Knowles: Are we to be dissolved tomorrow night?

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

HOUSE OF COMMONS

Tuesday, January 27, 1953

The house met at 2.30 p.m.

DEFENCE EXPENDITURE

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. David A. Croll (Spadina) presented the first report of the special committee on defence expenditure, and moved that the report be concurred in.

Mr. Jean François Pouliot (Temiscouata): Before the motion is carried I have just a word to say. If we revert to times gone by, in *Hansard* of July 3, 1935, at page 4198 there appears the following discussion:

Mr. Pouliot: —the comptroller of the treasury's office is no good and I protest against this vote—

Mr. Mackenzie King: —the comptroller of the treasury took over certain of the functions which formerly belonged to the Auditor General.

Mr. Bennett: No, several of the departmental functions in connection with disbursements.

Mr. Mackenzie King: The expenditures in that one branch are getting to be very large.

Mr. Bennett: It has control over all the disbursements of the country.

Mortuus adhuc loquitur!

Well, sir, I want to bring to the attention of members of the committee the fact that since Mr. Bennett, not by legislation but by order in council, changed the auditing system of all departments by centralizing them under the comptroller of the treasury, no minister except the Minister of Finance is responsible for any expenditures in any department.

It was not Liberal policy, it was Tory policy, and I opposed it bitterly at the time.

Mr. Speaker: Order. The motion before the house is to concur in the first report of the special committee on defence expenditure. The committee report is a recommendation to the house that the committee be empowered to print from day to day 750 copies in English and 200 copies in French of the minutes of proceedings and evidence, etc., and to sit while the house is sitting. I do not believe such a recommendation would permit a general discussion of the matters which have been referred to the committee or a discussion of the procedure in the committee.

Mr. Pouliot: Mr. Speaker, if you permit me, what I said was the preamble of the argument that I am going to make now. It will be very short and to the point.

Mr. Fulton: Tell us what you have been doing for the last seventeen years if you objected to that policy.

Mr. Pouliot: I will tell the hon. member for Kamloops (Mr. Fulton) that this was one of the most onerous legacies that a subsequent government inherited from the late Mr. Bennett. I know it hurts the Tories, but I am going to make my point. What I am saying is strictly in order, as you will see, Mr. Speaker, and as hon. members will see. I am not a miracle man. I cannot make the blind see, nor can I make the deaf hear. I know that it hurts, and I am sorry. I do not say this to hurt anyone; I say it to tell the truth and to guard against any injustice being done to either one of the Ministers of National Defence.

Mr. Speaker: May I ask the hon. member now to discuss the motion. The motion is that the committee be empowered to print from day to day 750 copies in English and 200 copies in French of its minutes of proceedings and evidence, and such papers and records as may be ordered by the committee to be printed, and that standing order 64 be suspended in relation thereto; (2) to sit while the house is sitting. It is only those two matters which can be discussed at this time.

Mr. Pouliot: Mr. Speaker, there is more to it.

Some hon. Members: Order, order.

Mr. Pouliot: I want the evidence to be taken by the committee to be in accordance with the elementary rules of justice, and I do not want the committee to sit while the house is sitting to commit any injustice with regard to anyone. It is for this reason, sir, that I bring to the attention of the hon. gentlemen, especially those who will serve on the committee, the fact that hundreds of accountants in the Department of National Defence are not under the Minister of National Defence (Mr. Claxton). They are under the comptroller of the treasury since Mr. Bennett centralized the whole business of government payments.

Some hon. Members: Order, order.

Mr. Pouliot: I know they will not understand. I have said what I wanted to say, and I thank you, sir.

Motion agreed to.

Business of the House

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON MONDAYS AND WEDNESDAYS

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on Monday, February 2, and on Wednesday, February 4, 1953, and every Monday and Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

Mr. E. D. Fulton (Kamloops): I do not propose to debate this motion, but it occurs to me to wonder whether the Prime Minister has given any consideration to the suggestion that, instead of taking away both Mondays and Wednesdays at this stage, he might devote the Mondays to government business and leave the Wednesdays for a period of another two or three weeks. At this stage of the session, Wednesday is only a half day and there are a lot of private members' motions remaining on the order paper. Speaking as one who has been fortunate enough to have his motion called, I can say that I know there are others who have not had such good fortune. I am sure these members would appreciate it if Wednesday could be left for the time being.

Mr. St. Laurent: It has been the practice in some of the former sessions to take away the Mondays first and then afterwards the Wednesdays, but that has always been when the Mondays were being taken very much earlier than has been the case this session. There have been more days allotted to the application of the ordinary rules this session than for a very long time hitherto. I think there has been an ample opportunity for the discussion of all those notices of motions that members really wish to have discussed. There are two hours remaining when the public bills and orders can be reached if private bills do not occupy all the time allotted. So far private bills have taken up very little of those two hours, so I would imagine there would be no serious inconvenience in proceeding now to the extent which is being proposed.

Prior to Thursday, very little inroad has been made on the long list of government business that has been on the order paper since the opening of the session. We do not like to be arbitrary, but it was felt at this time it was not being arbitrary to propose this motion.

Mr. Donald M. Fleming (Eglinton): I think it is fair, on this motion, to ask the Prime Minister (Mr. St. Laurent) a question. It will be recalled that last July when the question of the adjournment of the 1952 session of parliament until the autumn, and the commencement of the 1953 session in the autumn of 1952, was proposed by the government, I asked him as to the reason for it. The Prime Minister indicated that the purpose of calling parliament so early was to conclude the session at the end of April or the first of May so that those who would be going to the coronation would have an opportunity of doing so. May I ask if that is still the aim of the government with respect to the present session.

Mr. St. Laurent: The government still hopes that will be possible.

Motion agreed to.

BROADCASTING

APPOINTMENT OF SPECIAL COMMITTEE

Hon. J. J. McCann (Minister of National Revenue) moved:

That a select committee be appointed on broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; that the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary; that the committee have power to meet while the house is sitting; that the committee shall consist of the following members: Messrs. Beaudry, Boisvert, Breton, Carter, Courtemanche, Decore, Diefenbaker, Dinsdale, Fleming, Fulton, Gauthier (Portneuf), Gauthier (Sudbury), Hansell, Henry, Jones, Kirk (Digby-Yarmouth), Knight, MacLean (Queens), McCann, Murray (Cariboo), Mutch, Richard (Ottawa East), Riley, Robinson, Smith (Moose Mountain), and Whitman. That standing orders 64 and 65 be suspended in relation thereto.

He said: Mr. Speaker, we have again proposed the appointment of a special committee on radio broadcasting. Regarding the study of all the aspects of the national system the terms of reference are practically the same as those similar committees have had in former years. There is, however, one change in the wording of the notice of motion. As hon. members will note, the resolution reads:

That a select committee be appointed on broadcasting to consider—

—and so on. Formerly, the word "radio" was inserted in front of the word "broadcasting". It was our former conception in years gone by that broadcasting consisted solely of sound broadcasting or what is known as radio. Within the last few years, however, there has been in this country a new development in the matter of television, so that when we put in the word "broadcasting" without

the word "radio" in front of it, that procedure naturally broadens the scope of the investigation or inquiry that will come before the committee; and it is proposed that they examine into the matters pertaining both to sound broadcasting and to television.

The last committee that sat on this particular subject was in the fall session of 1951. There had previously been an examination in 1950. The committee in 1951 brought in its report. Its sessions were not perhaps as long as usual because of the fact that at that time—in the summer of 1950 and from then on—there had been sitting a commission which had been set up on the development of the arts, letters and sciences and which was commonly known as the Massey commission. That commission had its report ready about that time, and the committee on radio broadcasting made a thorough examination of all the recommendations which were made in that report. The committee itself brought in its report on Friday, December 14, 1951. While it is not my purpose at this time to review extensively the recommendations and the findings of that committee I might, however, bring to your attention some of the recommendations which were made. One in particular was recommendation No. 8 which is as follows:

> Your committee shares the view of the royal commission and of the previous committees of the house that the national broadcasting service carried on by the Canadian Broadcasting Corporation is essential in the development of our national life in Canada, and is efficiently performing an extremely valuable and important function. It has been impressed by the variety and extent of the services being provided by the corporation, and by the complexity of the problems which Canadian conditions impose.

Then the report went on and dealt with the other recommendations, one of which was:

> It also recommends the initiation as funds become available of a second French network corresponding to the English language dominion network, the establishment of a French network station in the maritime provinces and increased service of French network programs by transcription to French language stations in the prairie provinces.

The committee recommended the desirability of improving the program services. They made recommendations with reference to the financing of the corporation. They were favourably impressed by the activities of the international services, and in the consideration of the representation of the Canadian Association of Broadcasters they made certain observations. There then came up another important question and their recommendation was this:

> That the grant of the privilege of radio broadcasting in Canada continue to be under the control of the national government; that the control of the national broadcasting system continue to be vested in a single body responsible to parliament; that the Canadian Broadcasting Corporation as now constituted be that authority and continue to provide directly by its operations and indirectly by its control of the operations of others a national broadcasting service free from partisan influence.

I am merely bringing these matters to your attention, Mr. Speaker, and I think perhaps the most important one, in the light of developments since 1951, was their recommendation with reference to television. That recommendation was No. 23 in the report and it was as follows:

> Your committee is strongly impressed with the vital need for the development of a television system that is essentially Canadian and which gives expression in this new form of broadcasting to Canadian ideas and aspirations. It agrees with the royal commission that the situation must be avoided under which commercial pressures will lead to the major part of the material on Canadian channels being non-Canadian. Your committee supports the recommendations of the royal commission regarding television development and your committee recommends that the Canadian Broadcasting Corporation proceed as soon as practicable with the extension of television coverage.

What I should like to point out, Mr. Speaker, is the fact, that as a result of this investigation by the radio committee in 1951, considerable progress has been made with reference to the implementation of their recommendations. For instance, we have now established a French network in western Canada and also preparations have been made and work is now being done in connection with the French language station down in the maritimes. In addition to that, a number of low-power relay transmitters, as they are called, have been installed in northern Ontario and in northwestern Canada as well as in northwestern Quebec, in order that coverage may be added in those particular regions.

That committee made it a point to visit our facilities in the city of Montreal at the Radio Canada building there, and I am sure they were impressed with the advancements which were being made in the development of that centre. I would suggest to the committee this year, when they meet, that they again avail themselves of the opportunity of visiting Montreal or Toronto or perhaps both, and seeing the advancement that has been made there both in the physical attainments and in the technological advancements there have been both in sound broadcasting and in television. You will remember also, Mr. Speaker, that in our discussions in 1951 there was reference to certain amendments to the Canadian Broadcasting Act. At the time when we had the debate on the setting up of the committee we joined together both the resolution with

reference to the amendments to the broadcasting act and the resolution setting up the committee. May I recall to your memory just what those changes were in the broadcasting act. Two more governors were added to the board of governors which formerly consisted of nine; the board of governors since that time has had a membership of eleven.

Newfoundland, having come into confederation, was entitled to a representative on the board. That member has been appointed and has been functioning on the board ever since.

The second thing that we did under the amendment to the act at that time was to give the Canadian Broadcasting Corporation greater borrowing powers without having reference to the cabinet. Their borrowing powers were increased from $10,000 to $25,000 on any one project. The tenure of office of the chairman was changed. Then we set up an appeal section. We also made it possible by the changes for the chairman of the board, who was appointed by the government and who was not considered as an employee for pension purposes, to be considered as an employee, and he is eligible for pension.

I do not need to say very much more with reference to that, except to point out, as hon. members know, that the C.B.C., being a crown corporation, is probably subject to a great deal of criticism from all parts of the country and from all types of bodies. But still the C.B.C. has a great number of friends. I do not know of any other public institution which receives resolutions from as large a number of influential bodies as does the C.B.C. The federation of agriculture, which is one of the biggest organizations in the whole of the country, as well as the Trades and Labour Congress, different labour bodies, women's institutes and a great many others send in resolutions commending the policies of the C.B.C. I admit that perhaps we do not get the support of wealthy and powerful newspapers and chambers of commerce. While we are not entirely indifferent to them, I think that the other bodies which do pass resolutions commending the work of the C.B.C. are a good deal more influential. In addition to that, they do represent a greater body of public opinion. Of course the C.B.C. has difficulties. Any organization that undertakes a large amount of work in this country, as does the C.B.C., is bound to have difficulties and criticism.

When we are discussing the C.B.C. we should keep in mind that they have to operate on five time zones from one end of the country to the other. They have to operate in two languages; they have to set up different systems and different networks in order to meet the needs of this country. In addition to the trans-Canada network and the dominion network, it is necessary also to have a French network.

I might recall to hon. members the fact that the C.B.C. has been the subject of investigation ever since its inception. There was the Aird report of years ago, which still is good reading, with reference to the basic principles on which the C.B.C. was founded. From year to year there has been a periodic examination by the radio committee of the House of Commons, and then in 1950 the commission to which I have made reference was set up, namely, the commission on national development in the arts, letters and sciences. Its report has become known as the Massey report. The government has followed, and intends to follow, fairly exactly I would say, the recommendations that have been made in that report, because there was never in this country a more extensive and exhaustive report made with reference to broadcasting than was made by the Massey commission. What we asked them to do, and what we are following, was to lay down principles upon which the government could formulate its policy with reference to the C.B.C. I want it distinctly understood that in the matter of internal management there is absolutely no interference on behalf of the government. When it comes to a matter of large expenditure, under the act these things are referred to the government for either endorsation or rejection.

I have always been in favour of private enterprise. Perhaps some people will wonder why I advocate and support the C.B.C. Well, I do it for this reason, that radio broadcasting and television are a natural monopoly. There are only a certain number of frequencies with reference to sound broadcasting, and what we call channels with reference to television, that are available, and if there were not control over them, and some governing body to do the controlling, the whole matter of broadcasting, either sound or television, would soon be chaotic. And so it is when you have a natural monopoly of this kind, it is in the best interests of the great majority of the people of Canada that there should be a governing body so to regulate things that they accrue to the best interests of the greatest number of people.

That is about all I have to say with reference to sound broadcasting. Hon. members will recall that on December 8 I made a statement in this house with reference to government policy on television.

That statement can be found in *Hansard* of that date at page 409. It was the first item of business of that day. I am not going to read it again; I am going to point out some of the important features in order to refresh our memories when we get into the discussion on television. I said at that time:

—the government has been giving careful consideration to the development of television broadcasting in Canada. In its consideration it has had in mind the report of the royal commission on national development in the arts, letters and sciences. The commission recommended that the Canadian Broadcasting Corporation proceed with the production of television programs and with plans for national coverage. It spoke of extension of national coverage both through publicly and privately-owned stations. It said that no private station should be licensed until the C.B.C. had available national television programs and that all private stations established should be required to serve as outlets for national programs. It emphasized the need for direction and control of television broadcasting in Canada to prevent Canadian stations from becoming mere channels for broadcasting material from outside Canada and to encourage Canadian content.

The government believes, with the royal commission, that television should be developed in Canada with the aim of benefiting our national life and that it should have the structure and the means required by Canadian conditions to ensure an adequate amount of suitable Canadian programs for Canadians as well as using some material from outside the country. Television will undoubtedly play a considerable part in the lives of many Canadian families. It is bound to have a strong effect on the growing minds of young people watching it in their own homes. The government believes it should be so developed in Canada that it is capable of providing a sensible pattern of programming for Canadian homes with at least a good portion of Canadian content.

We said at that time:

Therefore, it is proposed to ask parliament to approve a loan to the Canadian Broadcasting Corporation for the purpose of building stations on the Pacific coast, in the prairie provinces, and in the Atlantic provinces. These would be established in the Vancouver, Winnipeg and Halifax areas. Thus, in addition to the stations at Montreal and Toronto, and that to be built at Ottawa, there would be publicly-owned stations with some production facilities at least in each of the main regions of the country.

We announced at that time that the government would be in a position to receive applications for licences for private stations to serve areas not now served—and this is very important—to serve areas not now served or to be served by publicly-owned facilities already announced. The government then, at that time, indicated to the Canadian Broadcasting Corporation that it was prepared to consider applications for such licences as may be recommended by the corporation, after having cleared, of course, with the Department of Transport. At that time I said:

The objective will be to make national television service available to as many Canadians as possible through co-operation between private and public enterprise. Under this plan the private stations licensed will carry national program service, besides having time for programming of their own. There will be plenty of opportunity for enterprise by private interests in television broadcasting, and at the same time provision for wide extension of the national service. Since the objective will be to extend services as widely throughout Canada as is practicable, no two stations will be licensed at the present to serve the same area. A television station can serve only a comparatively small area. Canada is very large and it will require a good many stations before television can be brought to the people in most parts of our country.

That works both ways, of course.

Mr. Diefenbaker: Would the minister permit a question arising out of the statement he has just made?

Mr. McCann: Perhaps the hon. member would permit me to complete this part of my observations. That works both ways. If the C.B.C. sets up a television station in, we will say, the city of Toronto, and will not allow a licence there for a private station at the same time, that, of course, gives protection to the C.B.C. But if a licence were given in the city of Kitchener, serving a community of perhaps half a million people, a similar protection would be given in that no other licence would be given in that area at this time.

So that, as I say, in my judgment it works both ways, in that it protects the C.B.C. on the one hand and the private stations on the other. I have mentioned Kitchener. The C.B.C. has not designated that as an area to be served by them, so that it will be one available for private stations.

Mr. Diefenbaker: From the last few words of the minister's observations it would appear that the Kitchener area is not one designated as an area to be served by the C.B.C. The question I wish to ask is this: In view of the fact that that designation covers not only stations now being erected or shortly to be erected, but also those to be erected in the future, what about the provinces of Manitoba, Saskatchewan and Alberta? Has it yet been decided whether they are to be C.B.C. areas, or whether private enterprise may enter in those provinces.

Mr. McCann: In Manitoba we propose to erect a C.B.C. station in the city of Winnipeg, as has already been announced. Determination has not been made, for instance, with respect to Alberta. But, supposing we did erect a station in Alberta, I presume it would be, perhaps, in the city of Calgary. That leaves a splendid area in the Edmonton community for private broadcasters. They could serve that large area through some origination of programs and by programs

which are prepared by the C.B.C. and offered to them by means of kinescope recordings. It would serve also as an outlet for C.B.C. programs in the event that technological advances make it possible to bring those programs to that particular city either by means of microwave relay, or by cable.

Mr. Diefenbaker: What about Saskatchewan and British Columbia?

Mr. McCann: We might hope that probably Saskatchewan could be supplied with programs, on the one side from Manitoba or on the other from Calgary, if there are certain advances made. If not, we would have to give consideration to the establishment of a C.B.C. transmitter in the province of Saskatchewan.

However, those are matters under consideration. I might point out that television is terribly expensive, and it will be hard to get public opinion to support a development at this time to the extent that we would wish. My own policy would be, so far as any advice that I might give is concerned, that we have got to go slowly on this, and take advantage of such technological advances as come along.

Mr. Graydon: Does that not mean that Saskatchewan would be a no-man's-land?

Mr. McCann: No, you cannot put it that way. Saskatchewan has never been neglected, so far as this government is concerned.

Mr. Cruickshank: What about British Columbia?

Mr. McCann: I have made the announcement that we are building—we have already acquired the land—a television station in the city of Vancouver.

Mr. Cruickshank: To be built when?

Mr. McCann: To be built just as soon as plans can be drawn for it, and the transmitter can be supplied.

Mr. Cruickshank: 1970?

Mr. McCann: No, not 1970. We believe that by the end of 1953, or perhaps before that—in the early fall—we will be operating in the city of Vancouver.

Mr. Cruickshank: Would the minister permit a question?

Mr. McCann: Would the hon. member let me finish my statement, first.

Mr. Diefenbaker: On the basis of what the minister has said, it is planned to do something in British Columbia by the end of 1953. Is it right to say that, so far as Saskatchewan and Alberta are concerned, there are no plans for 1953, or the immediate future?

[Mr. McCann.]

Mr. McCann: Plans are not yet finalized with respect to Alberta and Saskatchewan. But they have been considered, and as soon as policy is determined with respect to those two provinces in the matter of the erection of television stations, it will be announced.

Mr. Brooks: What is the situation in New Brunswick?

Mr. McCann: Mr. Speaker, I should prefer to have the questions after I have finished what I have to say. I can quite understand that hon. members are inquisitive; and sometimes, too, they may feel that if they can break up what one has to say it will be to their own advantage. I am just as familiar with those tricks as is the hon. member for Lake Centre. However, under the circumstances I think we will just let that go by the board.

Mr. Graydon: I think you had better.

Mr. McCann: May I now return to the matter about which I wish to speak. I have given the policy of the government regarding the licensing of television stations. I should like now to review briefly the development of television broadcasting in this country, and refer to some facts in connection with it.

As hon. members will recall, television was one of the subjects the royal commission on national development in the arts, letters and sciences was asked to study. The government, however, did not wish to delay all action until the commission could make its examination, and report its findings. Therefore at the time the commission was set up the government authorized the Canadian Broadcasting Corporation to proceed with plans for production centres and transmitting stations at Montreal and Toronto, as the first steps in the Canadian system.

Loans were authorized to finance these projects. The C.B.C. was able to go ahead, starting in 1950. Shortage of steel and all other materials and equipment following the outbreak of the Korean war held up these projects considerably and, in fact, delayed their completion for about a year. These centres went into regular operation in September of 1952. I, personally, have visited them and have seen the production of programs taking place. I would hope that other members of the House of Commons who are interested in this subject would do the same. It is only by seeing, at first hand, that anyone can grasp the immense effort and the complicated organization that is necessary to produce a live program. Early in 1951, in the light of the steel situation, the government decided to stop authorizing any new broadcasting stations for sound or television at a time when steel was being

withheld from so many other purposes. Those restrictions were lifted at the end of December, 1952. In recent months, due to the improvement of the steel situation, the government has given consideration to the question of television development.

I have already said that it was decided to ask parliament for a loan to enable the Canadian Broadcasting Corporation to establish further stations at the capital and also one each in the Pacific, prairie and Atlantic regions. We also gave careful consideration to the part which private stations should play in the development. In this connection I should like to remind the house of some of the things which the royal commission said in dealing with television, and I should like to quote from the report where it deals with television at page 301 as follows:

1. We were given the grave responsibility of making recommendations on the principles upon which the policy of Canada should be based in the field of television, this new and unpredictable force in our society. Our recommendations, however, as well as the evidence we bring forward in support of them, can be short and simple. They follow from the fact that the considerations leading us to recommend the continuation of a national system of radio broadcasting seem to us to dictate much more strongly and urgently a similar system in television. Television, like radio, is akin to a monopoly, but its much more limited channels give added importance to a system of co-ordination and control. Like radio it is a valuable instrument of national unity, of education, and of entertainment; how much more valuable it is difficult to say at present, but it promises to be a more popular as well as a more persuasive medium.

2. The position of private stations in Canadian television broadcasting requires special consideration. In radio broadcasting Canada has achieved maximum coverage for national programs at minimum cost by using some commercial programs, and by co-ordinating private stations within the national system under the control of the Canadian Broadcasting Corporation. We think the same principles of national control should be applied to television broadcasting but with certain special precautions. It seems apparent that the most difficult problem of television in Canada will be to provide programs in our remote and thinly populated areas; and television advertising will raise difficult questions. Even in radio broadcasting the programs of all private stations are likely to suffer from excessive control by the advertising sponsor. Only to a limited degree can the private station operator determine the character of his own programs. Because of greater capital investment and greater operating costs the unfortunate tendencies of radio broadcasting will be intensified in television. The pressure on uncontrolled private television operators to become mere channels for American commercial material will be almost irresistible. In radio broadcasting, Canadians experimented with a purely commercial system before changing to a national system.

That is away back of the Aird report.

Such an experiment with the more costly and powerful television would be dangerous. Once television were established in commercial north-south channels it would be almost impossible to make the expensive changes necessary to link the country by national programs on east-west lines of communication. Canadians will welcome good American programs in television as they now do in radio, but as we have been informed, they do not want them at the cost of a Canadian national system, provided that the C.B.C. can make attractive programs available in the not too distant future. It seems desirable to use appropriate American television programs, and to make suitable agreements with Canadian private stations.

That has been accomplished already.

These arrangements, however, should follow and should depend on the organization of a national system of television production and control.

The recommendations were:

We therefore recommend:

a. That direction and control of television broadcasting in Canada continue to be vested in the Canadian Broadcasting Corporation.

b. That the Canadian Broadcasting Corporation proceed with plans for the production of television programs in French and English and for national coverage by kinescope recordings or by any other practicable means.

c. That no private television broadcasting stations be licensed until the Canadian Broadcasting Corporation has available national television programs and that all private stations be required to serve as outlets for national programs.

The policy of the government is designed to carry out the findings of the commission which we believe are of great importance. I suggest that there is no purpose in having investigations such as the Aird commission, committees of the House of Commons or the Massey commission, unless we are prepared to give the recommendations most serious consideration and, I suggest further, to see that they are implemented. I believe that a commission such as the Massey commission represented the best talent available in this country to examine into all phases of the development of broadcasting in Canada. When we got their recommendations, which, after consideration and examination, appeared to be logical and practical to the government, I submit it would be ill-advised if we did not attempt to follow them and give them implementation.

There will be provision for the production of Canadian programs by the C.B.C. over the national service. The C.B.C., of course, will also be able to bring in some suitable programs from outside Canada, as the commission suggests. Just to bring you up to date: We have already made arrangements with the Bell Telephone Company to use their facilities at a rental of $225,000 a year in what is known as the microwave system whereby programs will be brought from Buffalo to Toronto and, when it is completed, from Buffalo to Montreal and from Montreal to Toronto.

That was not built particularly for us; it was built as one of the commercial projects of the Bell Telephone Company whereby

they are able to carry hundreds of long distance lines and give better service to their telephone subscribers and the general public. However, it is available and can be used as a microwave relay length for the carrying of television programs.

There will be facilities for the production of at least some programs in each of the main regions. That means that in those places that I have designated programs will originate. At the C.B.C. centres in the main areas of Canada there will be the foundation of a nation-wide system and production facilities located there so as to be able to use Canadian talent effectively for programs that will be available across the country.

No single factor in our life in the development of art has been so important as the C.B.C. in giving opportunity to Canadian talent to find employment at good wages and good fees through the development of radio. That will be intensified and increased with the development of television. Under the policy there will be a means of bringing national programs to a wider number of Canadians, through both publicly and privately-owned stations. Of course, it will not be possible for all these stations of the system, public or private, to be joined by direct network connections, that is, by coaxial cables or microwave relays, at least for a few years. But in the meantime national service programs will be supplied by means of kinescopic recordings to all stations. Under this policy there will be many opportunities for private enterprise to take part in television broadcasting. That I think is important because a lot of people have the impression that government policy is to shut out private enterprise. That is not so. There is going to be an awful lot of opportunity for private enterprise to take part.

The private stations will be established in such a way that they will all be able to carry programs of the national television service in addition to programs of their own. Thus they will be assisted in their operations, and at the same time will serve the national interest by helping to extend national coverage and to link the country together by means of television. It has been suggested that under this policy taxpayers in other parts of the country would be paying for television operations serving only the areas where there will be C.B.C. stations. That is not so.

In the first place it is proposed that the money advanced to the C.B.C. will be in the form of loans to be repaid later out of revenues. Programs produced in C.B.C. production centres will be available under this policy to Canadians in many parts of the country through both publicly and privately owned stations.

It is the view of the government that television service should become available to as many Canadians as possible in as many parts of the country as possible rather than that those happening to live in places such as Toronto and Vancouver should have several services available to them before other important areas have any. Under the policy adopted we can look forward to a wide extension of television service and to a service that includes a good proportion of Canadian programs.

Because of the great size of this country and our relatively small population, television service to cover the majority of Canadians is bound to be expensive. Television programs are costly to produce and the cost per head in Canada, however that cost is distributed, is bound to be high; yet most people in this country would agree, we believe, that this important medium should develop a good measure of Canadian programs. From our national income there can be drawn only a certain amount from both public and commercial channels for television broadcasting. We believe that the system should be so developed that this potential support for television broadcasting should be directed as much as possible towards extending the television service throughout the country rather than doubling or trebling it in certain favoured areas. We believe the system should be developed as we plan so that a fair proportion of the total goes into the support of Canadian programs.

The policy will make possible the development of a Canadian-wide system of television stations, operating as a network, much as do the great networks in the United States. Here the stations of the network organization set-up will be publicly owned, and network programs of the whole system will be supported in part through contributions from the viewing public.

Some members appear particularly anxious to see private interests licensed in large centres which would also be served by the C.B.C. I think no doubt that from a business point of view such licences would be very attractive to any who could get them. Under such licences for big cities very profitable ventures could be operated by the fortunate licensees provided they were free to get most of their programs from outside Canada. The royal commission emphasized the almost irresistible pressure on uncontrolled private television operators to become mere channels for non-Canadian commercial material. It recommended particularly that

all private stations established should serve as outlets for national service. Of course, for some time at least, the C.B.C. will not be able to supply national service to two stations in one area. That would leave any second station under the almost irresistible pressure to carry largely non-Canadian material.

There may be some people in favour of allowing Canadian television channels to be used mostly, perhaps almost entirely, for broadcasting non-Canadian material. I should like to say that is not the view of this government. Together with the royal commission we believe that television should develop in this country so that it does broadcast a good proportion of Canadian programs for Canadians, while at the same time using some good material from outside the country.

We also feel that the benefits of such television should be extended as widely as possible and as quickly as possible through co-operation between private and public enterprise. That, we believe, will come about through this national policy.

Now, it is not my intention, Mr. Speaker, to dwell further on this subject. The very purpose for which we are setting up a committee at this time is that members of the committee will have an opportunity of calling before them the officials of the C.B.C. who can be interrogated with reference to their past performance, and on the matter of policy with reference to the future development of radio and television. The public also have an opportunity to come before the committee and make such recommendations as they see fit.

I think most hon. members know that right in this building last week there was a meeting of the board of governors of the C.B.C. at which there were applications for new licences and the matter of proposed regulations was also discussed. The C.B.C., I am informed, would like to see the regulations stay as they are until such time as there is opportunity for discussion before the radio committee.

Now, perhaps you are familiar too with what happened just last week in the matter of applications. There was an application from this area, from the town of Eastview. What happened? That application was opposed by the other two stations here because of the fact that it is going to limit their field of commercial activity. They quarrel among themselves.

Up in Toronto Foster Hewitt has a station, I think at Mimico. He made a broadcast by wire from Boston of a hockey match and it was a "fixed" broadcast in which he described things that never occurred. Another owner of a station in Toronto rebroadcast that on his station in exactly the same words and one man accuses the other of stealing his thunder and his broadcast.

An hon. Member: Maybe that was television mentally.

Mr. McCann: I suggest to you that, both in sound broadcasting and in television broadcasting, if there were not a firm regulatory body to control this natural monopoly, within months the whole thing would be in a chaotic condition.

I submit further that we have in this country one of the best systems of broadcasting to be found in the world. In the United States all stations are commercial stations. In Great Britain there are no commercial stations and the system is operated, owned and controlled by a commission which has been set up, the British Broadcasting Corporation. Here we have a combination of the two. We have the main system which is owned, operated and controlled by a commission responsible to parliament; and we have 134 private stations which are supposed to act along with the nationally owned system in order to give coverage to all of the people of the country.

These private stations serve a good purpose. They serve a local purpose and they are outlets for splendid programs that are given to them at no particular cost.

I am very happy that this whole matter is going to be referred to a committee where there can be the freest and fullest investigation of all parties concerned.

Mr. Hansell: Mr. Speaker, might I ask the minister a question? I did not want to interrupt him when he was asked a question or two a little while ago. It would have seemed to be too much of a discussion. He intimated or put forward the supposition that if television was introduced in the province of Alberta he supposed that there might be one outlet in Calgary and that would leave Edmonton open to independent television broadcasters. I want to protect the minister on this because somebody is going to draw an inference there. I want to ask him if that was purely supposition or can they infer that Calgary will be chosen for the next television station under the C.B.C.—because I do not want rivalry between Edmonton and Calgary.

Mr. McCann: It does not, I think, leave itself open to that inference. What I thought I said or intended to say was that the C.B.C.—this is an inference that you

could draw from it—is not going to put main stations in both of those cities. Whichever city is chosen, the other city will be open to private broadcasting.

Mr. Donald M. Fleming (Eglinton): I believe there can be no doubt, Mr. Speaker, that the house should proceed to set up a select committee on broadcasting to undertake the studies mentioned in the resolution now under discussion. Having asked the government on December 17 if it would take steps to have such a committee appointed at this session, I am glad that, after some delay occasioned by the government's failure until now to name the government supporters to sit on this committee, the resolution is now on the order paper and we may hope to see the committee set up shortly.

Sir, it is time indeed that a committee of this house did undertake such a review of the affairs and the administration of the Canadian Broadcasting Corporation. The last time a committee of the house sat on this subject was in the fall session of 1951. In the intervening fourteen months there have been some major developments in the policy of the government and the Canadian Broadcasting Corporation, with reference to both sound broadcasting and television. This resolution, with the debate that it offers, let it be remembered, is one of the few opportunities we have under present circumstances for a review in general and debate on the policies of the government and the Canadian Broadcasting Corporation with reference to the broadcasting of sound and television. When parliament in a short-sighted move in December 1951 proceeded to vote sums of $6.25 million each for a period of five years as annual grants to the Canadian Broadcasting Corporation, it precluded any debate on these items year by year in the estimates. It would have been much better, and would have ensured the maintenance of some proper degree of parliamentary control over the policies of the corporation, if, as we in the official opposition argued at that time, there had been simply an annual grant and it had been left to parliament, year by year, to vote whatever sum of money it thought appropriate for that year. Instead, the government insisted that there should be this very large cheque written for a period of five years in advance. Therefore, sir, it behooves the house to embrace opportunities like that offered by the resolution now under debate to discuss the policies of the government and the Canadian Broadcasting Corporation.

This discussion is all the more timely, because the policies of the government and the corporation are probably more unpopular than they have been at any time since the corporation was established in its present form. It is not too much to say, sir, that the policies that have been enunciated within recent months by the government have occasioned a veritable outcry in the press on the part of the public, and even within the councils of the Liberal party.

Mr. Fournier (Maisonneuve-Rosemont): What is that?

Mr. Fleming: Don't you know what the Liberal party is? We will soon be able to speak of government by that party in the past tense.

Mr. Fournier (Maisonneuve-Rosemont): Councils; what is that? That is new to me; name them.

Mr. Fleming: My friend will have occasion to be apprised in greater detail, before I have concluded my remarks, as to what was the counsel tendered by a certain important Liberal organization to this government which my hon. friend has consistently supported.

It was evident in the speech of the minister this afternoon, particularly in his closing remarks, that the government does welcome any kind of diversion to distract the attention of the public from the policies which have occasioned this strong outcry on the part of the public. In what I have to say this afternoon, Mr. Speaker, I propose to lay responsibility for those policies exactly where it belongs, namely, on the shoulders of the government. It will not suffice for the minister or the government to seek to hide themselves behind the coat-tails of the board of governors of the Canadian Broadcasting Corporation.

Mr. Murphy: Are you sure it is not horses' tails?

Mr. Fleming: In the course of his speech the minister struck a keynote when he spoke of broadcasting as "a natural monopoly". Indeed, that theme ran throughout his speech, as applied to both sound broadcasting and television. It was used to cover up a multitude of inconsistencies and fallacies in the contentions of the hon. gentleman. If broadcasting is a natural monopoly, will the minister please tell the house why it was that competition was permitted to exist between private stations in certain localities and stations of the Canadian Broadcasting Corporation? Going further, will the minister tell the house why it was that, speaking of that degree of competition before a special committee on radio broadcasting in the session of 1946, Mr. Dunton, the chairman of the broadcasting corporation, in reply to a question, said that the kind of competition offered

to the Canadian Broadcasting Corporation by the private stations had been a good thing for the Canadian Broadcasting Corporation? He went further and said that competition had helped to keep the Canadian Broadcasting Corporation on its toes.

Mr. Fournier (Maisonneuve-Rosemont): Just as the opposition does for a good government.

Mr. Fleming: In reply to my voluble friend from Maisonneuve-Rosemont, may I say that it would take more than a passing reference such as that with which the minister sought to dismiss this matter this afternoon to justify what the Canadian Broadcasting Corporation is doing in fulfilling government policies by pursuing its monopolistic bent. Competition has been a good thing for the Canadian Broadcasting Corporation where it has been permitted to exist. Who in this house is to say that competition now suddenly ceases to be a good thing for the Canadian Broadcasting Corporation? Who is to say now that in the development of the field of television there should be no opportunity whatever for competition with the operations of the Canadian Broadcasting Corporation? I shall have more to say about television later.

I wish to make one thing crystal clear, sir, because the minister sought in his concluding remarks this afternoon to confuse the issue. No one, so far as I know, has ever said that there should not be a licensing body. No one in this house, so far as I know, has ever said that there should be no regulation whatever. But, Mr. Speaker, many of us have contended that it should not be left to the Canadian Broadcasting Corporation, enjoying the advantages that it enjoys under legislation today, to be regulating its own competitors. The proper course that should be followed is to leave the Canadian Broadcasting Corporation to operate the national broadcasting, to carry out the function that was conceived for it when it was established, and to vest in an independent regulatory and licensing body the function of exercising the necessary licensing and regulatory powers with respect to all forms of broadcasting in Canada, whether they be carried on by the Canadian Broadcasting Corporation or by private stations.

It will interest hon. members of this house to know that that extremely sound proposal has not commended itself merely to Progressive Conservatives. It has found, if you please, an echo within the Liberal party itself. I have before me a press clipping of November 12, 1951, containing a Canadian press dispatch from the city of Vancouver reporting on certain resolutions passed by the national convention of the Young Liberal Federation of Canada, and in which, if you please, among other resolutions, there was this one favouring "an independent administration to control radio and television, including the C.B.C."

Obviously, Mr. Speaker, the Minister of National Revenue (Mr. McCann) and the cabinet are not in tune with the thinking of the young Liberals of this country.

Mr. Fournier (Maisonneuve-Rosemont): That is a laugh.

Mr. Fleming: My voluble friend the hon. member for Maisonneuve-Rosemont is a young man, but there is little indication that he, with his youth, has retained sympathy with the ideas of the young Liberals. While he has remained youthful and vigorous himself, nevertheless his ideas seem to have grown old and hidebound, like those of the government he has supported for too long.

Mr. Fournier (Maisonneuve-Rosemont): Following the example of my hon. friend who supports the Leader of the Opposition.

Mr. Fleming: The inherent weakness of the whole system is that the Canadian Broadcasting Corporation and the government are absolute in the field of control. We need not waste any time in talking about the amendments that were introduced in this house in 1951, because the form of appeal that was provided by that legislation from decisions of the board of governors to the exchequer court by leave of a judge of the exchequer court, on questions of law in cases where the board of governors had suspended a licence, covers so narrow and tiny a field that it does not make any effective invasion at all of the system of absolute control by the Canadian Broadcasting Corporation and the government over all forms of broadcasting in Canada.

The control of this extremely important means of communication is a matter fraught with great danger. When we look at what has happened in some other countries of the world and have seen the means exercised by totalitarian governments to control the means by which ideas may be expressed and communicated, I think it is the duty of parliament in matters of this kind to be ever vigilant in restraining inroads and attempts to exercise sweeping control over these means of communication.

With reference to sound broadcasting, I wish to mention some features of the administration of the corporation and the government in recent times, though time does not permit reference to more than a few. First of all I have something to say about programs.

When we are talking about maintaining freedom of expression, let us remember that freedom of expression calls for some balance in the expression of points of view, so far as the national broadcasting system is concerned; and I think it calls for the exercise of some wisdom on the part of the governing body with respect to expressions which cannot fail to give comfort to the enemies of Christian democracy.

It is in the light of that view that I have chosen for reference only three or four excerpts from broadcasts which have gone out over the national network. In each case I have chosen programs which were sponsored by the Canadian Broadcasting Corporation itself and, so far as I am aware, were paid for by the corporation. I have here the script of an address entitled "Oh Brave New World"—which went over the national Sunday evening hour from Ottawa on April 8, 1951—by Professor Arthur Phelps of McGill university; and I choose from that script some expressions, one of which is as follows:

> Canada got fat out of the last two wars and she has a good chance of getting fatter out of this one. The crusade against the enemy on the other side of the world is at the same time the crusade for good business. It is a brave new world. An American leader says "We've got the rattle-snake by the tail; let's bash its brains out". In Korea we have "Operation Killer". We are getting things done.

Then further on I see that he makes reference to what he calls "the disastrous hypocrisy of the United Nations Chinese aggression resolution". It is quite obvious that this gentleman did not approve the resolution that was passed by the assembly of the United Nations condemning communist China for her aggression in Korea. Nevertheless hon. gentlemen opposite will be able to take what comfort they can out of having voted large sums of money in advance for a five-year period to permit the Canadian Broadcasting Corporation to pay men to make, over the national network, broadcasts like the one I have just read.

Then I choose another excerpt from the broadcast of "Stage 52" of February 24, 1952. This was an extremely amusing broadcast, Mr. Speaker. I am the last one who would wish to put any restraint on amusement or satire; but I think you will agree, Mr. Speaker, that the selections I am going to quote to you now go far beyond any proper satire. This purports to be a dialogue between an Eskimo and one McGatt. The Eskimo is quoted as follows:

> Uluksuk: "Missionary he teach me ten commandments. 'Thou shalt not steal'. Me say, 'What is steal?' "
>
> "Uluksuk, you don't know what stealing is?"
>
> "Me say, 'No'. He say, 'Then I teach you'. So me learn".
>
> McGatt: "So now you're a rich Christian".

Then three pages later I find this in the script:

> Uluksuk: "Ah, stealing, good Christian custom".

I suppose that commends itself to communists in this country and abroad, Mr. Speaker; but I greatly doubt whether the people of this country will relish the idea of having parliament vote substantial sums of money, for a period of five years in advance, to pay people to broadcast that kind of dialogue over the air.

I have here another script from "Week-End Review" over the trans-Canada system Sunday, February 3, 1952. It is a broadcast by Professor Keirstead. Speaking of the East, and troubled conditions in Asia and Africa, he says:

> In all these lands, the British and, more recently, the Americans, have a bad past, a sorry heritage of exploitation and of alliance with subservient feudal lords who have, in the end, incurred the just hatred of their people. Discredited as they are, these members of a corrupt class can no longer help us. Yet our policy continues in the traditional path. The United States, taking over where Britain left off, tries to bribe its way into the confidence of men who can no longer command the loyalty of their subjects. That was the American policy in China, and it cost us China. The pragmatic test is the only one which history acknowledges. Today, this same policy may cost us more than China. It is nonsense to suppose that the communists have infiltrated into a position to command the Moslem church. They haven't. But Moslem fanaticism supports everywhere the nationalist rebellions of the Arab lands. And these people, with their aspirations for freedom, look for support to the only great power which is not committed against them. Can one really blame them—or for that matter, blame the Soviet union for taking quick advantage of this unexpected and unsought political bonanza?

I wonder how many people in this country, apart from communists, Mr. Speaker, will relish the idea that parliament has been called upon by the government to vote funds again for a period of five years in advance so that broadcasts of that kind, which acclaim the attempt of the Soviet union to capitalize on the troubles that it is stirring up in Asia and Africa today, can be broadcast on a national network.

Mr. Laing: What kind of programs should parliament direct in place of that one?

Mr. Fleming: Well, I would trust, Mr. Speaker, that any hon. gentleman who has enjoyed sufficient confidence on the part of his electorate, albeit four long years ago, to be elected to this house, would be able, with a little imagination, to think of something better than communist propaganda to be fed to the people of Canada over the national network of the C.B.C.

Mr. Laing: You want parliament to direct—

Mr. Knowles: May I be permitted to ask a question? Does the hon. member think it is fair to say that Professor Keirstead acclaimed the situation to which he was drawing attention?

Mr. Fleming: Well, Mr. Speaker, in answer I can only quote to the hon. gentleman again the concluding words of Professor Keirstead. If the word "acclaim" is too strong then I shall be glad to leave the matter on the record for fair-minded people to draw their own conclusions, and I quote again these concluding words:

> Can one really blame them—or for that matter blame the Soviet union for taking quick advantage of this unexpected and unsought political bonanza.

If these are not words of acclaim they are certainly words which very carefully withdraw any element of censure from the action of the Soviet government in trying to infiltrate into the East and make trouble there, as they are doing in Asia and Africa, trouble that is costing the lives of men from the free nations of the world serving in these troubled areas.

Mr. Fournier (Maisonneuve-Rosemont): May I be permitted to ask a question of the hon. gentleman—

Mr. Fleming: It is always a pleasure to answer questions from my hon. friend.

Mr. Fournier (Maisonneuve-Rosemont): —for whom I have great respect, and who is one of my good personal friends. Where is the Canadian government concerned with that?

An hon. Member: They are not.

Mr. Fleming: My hon. friend has had a shaft of illumination, Mr. Speaker, that I had despaired of his ever gaining. He has put his finger at last on the nub of the whole problem. The whole point is that this government apparently has no concern over matters of this kind. It is so filled with thoughts of pursuing policies of the kind of which I shall have something more to say later that it invites parliament to vote money, hard-earned money of the Canadian taxpayers, to be paid out to people to make, over the national network, broadcasts of the kind I have just mentioned.

Mr. Fournier (Maisonneuve-Rosemont): That is an answer?

An hon. Member: That is very subtle.

Mr. Fournier (Maisonneuve-Rosemont): That is not the answer that I was looking for.

An hon. Member: That is very, very subtle indeed, Mr. Speaker.

Mr. Fournier (Maisonneuve-Rosemont): Where is the responsibility of the Canadian government?

Mr. Laing: To direct the programs.

Mr. Fleming: It is obvious that the Canadian government has shirked responsibility here. It is going to be called upon to answer on its responsibility because it has continued to apply policies which have made it possible for this sort of anti-democratic propaganda to be broadcast at the taxpayers' expense, and has continued to ask the parliament of this country to make that money available. I did not receive any help from my hon. friend when I urged in December, 1951, that parliament should not make a five-year grant in advance, but should attempt to retain control. I said, let us vote money annually according to the views that parliament holds at the time, but my hon. friend did not give me any support then, Mr. Speaker. He was in favour of handing out a five-year cheque in advance. I pleaded with him and with other hon. members in the house at that time not to part with the opportunity of exercising parliamentary control over these matters; but my hon. friend would hear nothing. So far as his views went the C.B.C. must have this money voted five years in advance.

Mr. Laing: Would my hon. friend permit a question?

Mr. McCann: They have to plan a little further ahead than you want them to go.

Mr. Fleming: Is the suggestion that the government is going on planning broadcasts of this kind? That I am sure must give great encouragement to the communist propagandists of this country.

Mr. Laing: Will the hon. member permit a question? May I return to the first statement that he made a moment ago, namely, that the government was responsible for permitting a certain type of program. I ask him again, what type of program should the government direct the C.B.C. to broadcast?

Mr. Wylie: You know the kind that they have been broadcasting.

Mr. McCann: The government does not direct any of the programs.

Mr. Fleming: I have tried to say to the hon. gentleman, Mr. Speaker, that the responsibility in this matter fundamentally rests upon the government, because these programs are being broadcast. The government is asking parliament to make it possible to continue the same policy and to continue the provision of money that makes these broadcasts possible. If my hon. friend cannot see

that responsibility resting upon the government, then, Mr. Speaker, I am afraid nobody is going to succeed in making him see it.

Mr. Laing: I think you are out on a limb.

Mr. Fleming: Well, the hon. gentleman should be a very good judge of being out on a limb because he is so far out that he will never crawl back when another election comes.

Now, sir, I have one other reference to make on the subject of programs, and it is a very recent one; in fact, it is a program in the "Capital Report" series that was broadcast from Ottawa the day before yesterday. The gentleman who was retained by the Canadian Broadcasting Corporation to make this broadcast was Michael Barkway who, I think I can say, is a good personal friend of mine. It is distressing to me to find him indulging in the kind of broadcast that he made on Sunday, which was straight government propaganda. I do not think any hon. member dared, in the debates in recent days, to go so far as Mr. Barkway did in this broadcast on Sunday in trying to put a decent complexion upon the behaviour and failures of the government in the matter of the Currie report, and the scandals which it has disclosed in the Department of National Defence.

Mr. McCann: On a point of privilege, I ask you, Mr. Speaker, whether this discussion is any reason why we should or should not set up a committee. I submit that this argument is entirely irrelevant.

Mr. Brooks: You covered a very wide field.

Mr. Speaker: On motions to set up committees in the past very wide latitude has been allowed. Last week there was a motion to set up a committee on expenditures of the Department of National Defence. At that time very wide scope was allowed. I do not know where we should stop. In the past, when motions have been made to set up committees on radio broadcasting considerable latitude has been given to hon. members to discuss the policies and the programs of the corporation. The motion is:

> That a select committee be appointed on broadcasting to consider the annual report of the Canadian Broadcasting Corporation—

I suppose that includes expenditures of the corporation.

> —and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development.

The committee can consider almost every aspect of broadcasting. I doubt if I should be asked to stop the hon. member at this time. I am at a loss to know just at what point I would stop hon. members in discussing problems with which the Canadian Broadcasting Corporation is faced, or with which it could be faced, or problems with which the government is or may in the future be faced in this connection. May I leave it to hon. members to try to discuss matters relevant to the setting up of the committee.

Mr. Fleming: I think the remarks I was making indicated the necessity and desirability of having the house set up a committee to review the operations and administration of the Canadian Broadcasting Corporation. I was making special reference to the broadcast two days ago by Mr. Michael Barkway, who spoke at public expense on the "Capital Report" series of the Canadian Broadcasting Corporation. Certain paragraphs of the text are to be found at page 1305 of *Hansard*. I draw attention to the fact that the government must be very grateful to him for saying, first of all, that the copy of the report, which has received a certain amount of publicity, was stolen. I do not know that any hon. member in the House of Commons has gone so far as to say that the report was stolen. I have heard hon. members go so far as to say that it appeared that the report was stolen.

Mr. Speaker: Order. I doubt whether the statement the hon. member has just made is relevant to the setting up of this committee. I do not think the house can decide upon that question now. I must say I have some doubt as to the relevancy of what the hon. member is saying.

Mr. Fleming: With respect, Mr. Speaker, I am not discussing a former debate. I am discussing what was said on Sunday by a man who was paid to do it by the Canadian Broadcasting Corporation. I am saying that that was a coloured broadcast, that it is an example of the sort of propaganda the Canadian Broadcasting Corporation is issuing, and that it is a very good reason why there should be an investigation by a special committee into the operations of the Canadian Broadcasting Corporation.

Mr. Cruickshank: There is a committee.

Mr. Fleming: I pointed out, with respect to this particular broadcast, that it goes far beyond anything that any government member dared to say in the House of Commons. And I am sure the government must have been very grateful to have propaganda of this kind going out over a national network.

An hon. Member: Truth.

Mr. Fleming: Truth? Why did not some hon. member in the debate in the house say so, then? Here is Mr. Barkway undertaking to make statements which, Mr. Speaker, no member in the House of Commons dared to make in that debate because they were not statements of fact.

He proceeds to say that certain things in the report are false. No member in the House of Commons, not even the most rabid government supporter, has dared to say that any statement in the Currie report was false.

And then he proceeds to say that the reason a motion was passed to refer the report to a committee, and to direct the committee to take up that report as its first item of business, was that false accusations had been made in the report—that the report itself contained false accusations.

I say to you, Mr. Speaker, that that propaganda has served the purposes of this government admirably, and at a time when the government was feeling the need of such assistance. It was indeed fortunate for the government that there should have been a national broadcast on Sunday afternoon, and at the public expense, containing statements of that kind which cannot be supported by the facts, statements the like of which no government supporter in the House of Commons dared to make on the floor of the house in the recent debate.

I have spoken about programs. I wish to say a word now on the subject of advertising content. The whole basis upon which the Massey commission recommended an annual statutory grant to the Canadian Broadcasting Corporation was that it should enable the corporation to eliminate all commercial content from its programs. I say now that we have not any evidence that the corporation, although accepting the statutory grant, has done anything tangible to reduce or to eliminate advertising or commercial content from its programs. Some of us will be very interested to learn why it is that the corporation has not carried out the intent of the Massey commission report and of parliament, and has not eliminated that advertising and commercial content.

The next matter has to do with the content of programs. The minister this afternoon has used an expression that I am sure warmed the hearts of us all, when he talked about the Canadian content of programs. I am not going to yield to the minister or to anyone else in the House of Commons in my desire to see the utmost possible Canadian content in Canadian broadcasting, whether it be by the Canadian Broadcasting Corporation or by private stations.

I would like to say this, though, that one thing that has impeded the use of Canadian talent on private stations has been this rigid denial on the part of the C.B.C. of any opportunity whatsoever to the private stations to have networks, even on a small scale. The talent in local stations is restricted because they are denied networks.

Mr. Cruickshank: I have been all across Canada.

Mr. Fleming: I was referring to talent.

Mr. Cruickshank: I have been all across Canada.

Mr. Fleming: If the corporation wishes to achieve some mathematical increase in Canadian content by eliminating certain programs and inviting private stations in their place to put on talks which will build up Canadian content, in terms of time, I doubt if they are going to make much of a contribution to the development of Canadian talent in that way. If they wish to do something for Canadian talent, I have indicated one way in which they can greatly assist in the development of that talent.

I come now to the not unfamiliar subject of the $2.50 licence fee for radio receiving sets.

Mr. Cruickshank: Hear, hear.

Mr. Fleming: I hear the hon. member for Fraser Valley (Mr. Cruickshank) say "hear, hear", and I am glad to find him in support of the elimination of this nuisance tax.

Mr. Cruickshank: Hear, hear; I introduced it.

Mr. Fleming: I know the hon. member is not alone among government supporters in the house who view with disgust the continued imposition of this $2.50 nuisance charge. Let me say that the government will hear about this nuisance tax until it is abolished. Can there be any sense in continuing a nuisance tax which yields $5,800,000 in a year and costs $700,000 to collect?

Mr. Cruickshank: Hear, hear.

Mr. Fleming: It is the most costly of all taxes to collect. The cost of collecting it runs at about 12·2 per cent. The net yield from the tax is about 87·8 per cent. If we had to face expense at that rate in collecting other taxes, the house would throw up its hands in horror. Nevertheless the collection of this tax goes on. The government continues to impose it. Then the Department of Transport a little over a year ago came up with a new idea. They were going to eliminate the house to house canvass and substitute a staff of fifty full-time people who were going to be responsible for collecting this tax. It is about time that the government followed the only sensible course that could be followed with respect to this nuisance tax, and eliminated it.

I said that to my knowledge a number of silent Liberal members in this house disapprove very strongly the imposition of this nuisance tax. They are not alone in their

party in that respect because at the meeting of the National Liberal Federation in this city on October 27—I wish the hon. and voluble member for Maisonneuve-Rosemont (Mr. Fournier) had remained here because this is a subject that I wished to bring to his attention—we find that that largely attended meeting passed a resolution, which I quote from the Canadian Press dispatch of October 27, as follows:

> Recognizing that the use of radio has become universal in Canada and a necessity of modern life, the advisory council recommends that the government give consideration to the immediate abolition of the radio licence fee.

I do not pretend that that resolution gave any comfort to the Minister of National Revenue, nor do I pretend that it brought any comfort to the heart of the minister when, as we read in the press, he had a stormy and rough ride before that federation when he sought to justify government policy in continuing to impose this $2.50 nuisance tax and to continue monopolistic conditions with respect to television in Canada.

Mr. McCann: I was not there at all when that was discussed.

Mr. Fleming: Then the press reports must be wrong. It was the policies which the minister had defended so vigorously elsewhere that came under the condemnation of the Liberal federation, just as they would have if the minister had been present.

There is one other matter that I should like to mention before leaving the subject of sound broadcasting.

Mr. Diefenbaker: It is a good time to be away at a time like that.

Mr. Fleming: It was just as well that the minister was not there.

In the recently issued report of the Auditor General for the fiscal year ended March 31, 1952, we find him dealing with the Canadian Broadcasting Corporation at page 53 as follows:

> The operating surplus of $3,691,779 from sound broadcasting and the $369,225 deficit from television broadcasting may not be regarded as strictly correct, because
>
> (a) the $14,813,598 income of the corporation and
>
> (b) the disbursement of $243,353 for loan interest
>
> are related in the statement to sound broadcasting only, although pertaining to both sound broadcasting and television.
>
> The correctness of the corporation's liability under the pension plan for past service of employees, reflected in the books by a final payment of $109,255, has yet to be established.
>
> Included as an expense of the year is a charge of $12,000 for the estimated full cost of a deferred pension in favour of the chairman, in respect of the period November, 1945, to December 31, 1951. It was indicated that the matter was still under review, but as the records now are, doubt must necessarily be entertained as to the power of the corporation
>
> (a) to absorb the cost without contribution by the chairman;
>
> (b) to vary the approved pension plan without the concurrence of the governor in council.
>
> Should it be that the action taken is in conflict with section 3(7) of the act, a situation would result which would be unsatisfactory alike to the corporation and the chairman. The matter is accordingly drawn to the notice of the board of governors.

I am sure that this is the first time that it has come to the attention of the house that the C.B.C. took upon itself the power to vote this substantial sum of money to cover the past due liability of the chairman to the pension fund and to do it apparently on a basis that involved a departure from the pension plan applicable to employees and without contribution on the part of the chairman. I suggest that when the committee is set up it should make it its business to inquire into that comment by the Auditor General.

I wish to come now to the subject of television. The minister has said something this afternoon about the importance of television. I am sure that in the world in which we live there are few influences of greater or more growing importance than television, along with radio broadcasting, in the influence they exert on the minds of the people, and particularly on the minds of the young. It is for that reason that I do not think that the house could spend time to better advantage than in carefully considering policies with respect to television.

A release by the dominion bureau of statistics on November 15, 1952, points out that between September 1949 and July 1952, 106,607 television sets were sold in Canada. I suppose that in the light of those figures it is not unfair to estimate that today in Canada there must be at least 150,000 television receiving sets, and the number is growing daily.

The development of television in Canada is years behind the stage of development attained in the United Kingdom and the United States. The reason is that the government has prevented the development of television in Canada. That is the complete reason. The government did it deliberately. We well know that applications for television channels by private applicants have been pending before the Canadian Broadcasting Corporation for at least seven years. During all those years the government refused to entertain the applications. It was the policy of the Canadian Broadcasting Corporation, as it was the policy of the government, to prevent anyone entering the field of television.

Mr. Diefenbaker: Dog in the manger.

Mr. Fleming: It was a dog-in-the-manger attitude. They would not do it themselves in

those days, and they would not let anybody else do it. It was sheer paternalism on the part of the corporation which led them to say to those who were quite prepared to take all the risks of investing their capital in the development of television in Canada, "Oh, no, we won't let you do it; we know better than you what is good for you; we won't let you do it because you may lose some money even though you might develop television."

So those precious years have passed, and it is only in recent times that the corporation has begun to develop television on its own account. The government deliberately retarded progress. Then along came the Massey report. The fact that the Massey commission was sitting for a year and a half prior to the writing of its report gave the government another excuse for delaying action.

Then the Massey commission made its report and I should like to make an observation about that report. I am sure that all members of the house have read the report with respect. In times past we have debated some of the recommendations made in that report, and some of us expressed and continue to hold a preference for the views expressed on many matters, including radio broadcasting and television, by Dr. Surveyer in his minority report. We accepted those as being the views of a man who by technical experience was better qualified to make recommendations with respect to the technique and system of broadcasting and television in Canada than the other distinguished members of the royal commission.

I wish also to make a general observation about the Massey report. No matter how much respect we may have for the members of the commission or for the views they express on subjects pertaining to Canadian culture, there is nothing in this royal commission report that is sacrosanct. It seems to be the view of the Minister of National Revenue (Mr. McCann) that, if he breathes the words "royal commission", debate ceases to have any effect and whatever is found in the majority report of the Massey commission must be accepted as final. Well, Mr. Speaker, I for one am not prepared to accept it as final. I am prepared to approach such recommendations with a measure of respect, but I still reserve the right to consider those recommendations; and in this particular case I very much prefer the recommendations of the minority report by Dr. Arthur Surveyer.

Let us have a word about the cost of television in Canada, the cost of development by the Canadian Broadcasting Corporation. To date it has had these sums placed at its disposal: First of all, $4½ million; then another $1½ million, in 1950, and another $2 million in 1952, or a total so far of $8 million. In the face of all that we have two stations in Canada giving television service to the people of their communities. The only people who are receiving any service in Canada today from the Canadian Broadcasting Corporation are people who live in Montreal and its immediate vicinity and in Toronto and its immediate vicinity. Those are the only people who so far have enjoyed any of the benefits the minister has proclaimed this afternoon.

Now, the minister has again trotted out that phrase of his, "natural monopoly", to justify the arid, sterile policy the government has been following with respect to television. I say to him that while sound broadcasting, as I indicated earlier, is far from being a natural monopoly, television broadcasting is very much farther removed from being a natural monopoly because of the effective horizon. Any television station has a very limited effective range. That range is normally about 60 miles and in some cases as far as 80 miles. How can it be said that television is a natural monopoly in Canada? It is absurd on the face of it to suggest that.

Mr. McCann: Because of limited channels.

Mr. Fleming: Limited channels, Mr. Speaker? We have great numbers of channels available for television broadcasting in Canada today, channels which are not being used. There are great numbers of them. The fact of the matter is that one channel does not preclude, as it does in the field of sound broadcasting, the enjoyment of the same channel by other television stations as long as they are removed from the effective horizons of each other. It is utter nonsense, Mr. Speaker, for the minister to suggest that we are restricted by a limitation on the number or use of channels. There are many, many channels available today for television in Canada but it is government policy to deny the present use of those channels. I am sure that United States companies operating along the border are going to feel quite at liberty to set up television stations along the border to serve Canadian communities just over the border, even though those same channels are assigned to Canada, because they are not being used today. There are, I am told, many situations of that kind.

Yes, this continued sterilization by the government of the development of television in Canada is fraught with very grave dangers for the whole future of the development of television in Canada.

Now, sir, I have said something about the government's old excuse for its wretched,

dog-in-the-manger attitude, and I have spoken of the delays in the development of the C.B.C.'s television operations. When it finally made up its mind after the Massey commission wrote its report it did run into some difficulties in procuring equipment due to shortages of steel, but let us remember that those long delays occurred and the corporation was obliged to postpone its estimated date for the commencement of operations in Montreal and Toronto not once but a number of times, and for long periods. When the government is building up rosy hopes in the minds of residents of Vancouver, Winnipeg and Halifax, I would suggest to the residents of those very estimable cities—

An hon. Member: Hear, hear.

Mr. Fleming: —that they be not too quick to infer from these government blandishments that they are going to have television service very soon. Because if their experience is anything like the experience of the other two cities which have that service, they are likely to wait a disappointingly long time for the inauguration of the service.

Now, what of government policy today? After this long period of complete sterilization of the development of television, now the government comes forward with what was dressed up to be a new television policy. Oh, the whole country was agog while waiting for the enunciation of the new television policy! How we crowded into the Senate chamber last November 20 when the speech from the throne was read, with great expectations, Mr. Speaker, of hearing the announcement of this great, brave new television policy; and this was the dud we had to listen to:

> At the time television broadcasting was started in Toronto and Montreal in September, the Prime Minister announced that parliament would be asked to provide for the establishment of three additional public television stations, one in the maritimes, one on the prairies and one on the Pacific coast and that active consideration was being given to the role of private enterprise in television broadcasting.
>
> You will accordingly be asked to make provision to enable the Canadian Broadcasting Corporation to establish television stations in the Halifax, Winnipeg and Vancouver areas. My ministers have indicated to the Canadian Broadcasting Corporation that they are now prepared to consider applications for licenses of private television broadcasting stations which may be recommended by the Canadian Broadcasting Corporation—

Note that, if you please, Mr. Speaker, in the face of what the minister had to say this afternoon about the hands-off attitude followed by the government.

> —to serve areas which could not be served at this time by public stations, with the objective of making television as widely available throughout the country as may be feasible through appropriate co-operation between the corporation and private agencies.

I give that quotation from a lamentable passage in the speech from the throne.

Now, Mr. Speaker, if the objective is to make television as widely available throughout the country as may be feasible, this policy enunciated in the terms of the paragraph I have just read is most certainly above all other policies calculated to defeat that objective. The policy of the government today, with the further outline given to the house by the minister on December 8, is just this: that the government will take unto the Canadian Broadcasting Corporation the choicest of all cities so far as revenues are concerned and size of population, and will then, in a grandiose gesture of generosity, permit private enterprise to operate in the smaller localities where there is the least chance of those communities being able to sustain the expense of television broadcasting. They follow that up, if you please, by saying that they will not allow two stations in any one place. That is a further development, Mr. Speaker, of the policy of the C.B.C. denying service to smaller communities.

Some hon. Members: Hear, hear.

Mr. Fleming: There might be a great deal to be said, Mr. Speaker, for the Canadian Broadcasting Corporation extending television service to areas where, if these absurd government controls were removed, service would still not be available. Does the government need to inaugurate costly service in communities where, if the government would remove the fetters it has imposed on private enterprise, there would be plenty of broadcasting available today? No, the government is not satisfied, and is so dominated by this monopolistic mania that has directed its policies from the beginning with regard to television, that it is going to use the money of the taxpayers of this country—be it a grant or be it a loan, for this purpose it is the money of the taxpayers of this country and they must pay it—to provide broadcasting under C.B.C. auspices in communities where, if the government would remove the fetters, there would be television service under private auspices and at private risk.

There is another aspect of this arrogant and obtuse policy, and it is this. Even in those areas into which the C.B.C. has entered, they will allow no other station. In Montreal and Toronto, the government says that these areas will be permitted only one television outlet. It is absurd, Mr. Speaker, when you look at the way television has developed in cities of the United States of comparable

size. But, sir, it suits the policy of this government that, because it has established one station in Montreal, it will allow nobody else to establish a station in Montreal; because it has established a C.B.C. station in Toronto, it will allow nobody else to establish a station in Toronto.

Mr. Ferrie: Good.

Mr. Fleming: Well, here is the hon. member for Mackenzie (Mr. Ferrie), who apparently is quite content to apply that policy of monopoly—

Mr. Ferrie: That is right.

Mr. Fleming: —and I tell him that policy of monopoly is the policy that breeds regimentation, that breeds restriction in the exercise by our people of their rights as free men.

Mr. Ferrie: It breeds co-operation.

Mr. Fleming: My hon. friend's idea may be to extend the size and power of government monopoly, but I can assure him that in that respect his ideas and mine are poles apart. I see no vindication of freedom in the assertion of government monopoly, and stupid government policy at that.

I have spoken of the way in which the government has thrown to private enterprise, in these smaller communities, a bone from which the C.B.C. has stripped all nourishment and meat. The people are going to be allowed to wait for television. What does it matter to this arrogant government if the people are made to wait for television service? A government that can say, "If we want to get away with it, who will stop us?" is obviously one that would say, "If we want to get away with sterilizing the development of television in this country, who will stop us?" It may be that we in the opposition are not numerically strong enough to stop them in this obtuse and wicked policy which they are following today. However, there is a day of reckoning ahead, and there is one sovereign force that can stop this government that thinks it can get away with anything it chooses. That sovereign force is the public at the ballot box. There is a day of reckoning ahead, Mr. Speaker.

I have one or two observations to make on two immediate aspects of this matter of television, Mr. Speaker. I did note that the Prime Minister (Mr. St. Laurent), in the tour he made of the west last September, was quick to speak of the way in which a new station was going to be set up in Vancouver. But it is worth recalling the following further report from Vancouver on September 3 as follows:

> Mr. St. Laurent would not say how big a licence fee would be charged television set owners or even, in fact, whether the operation will be financed on a licence fee basis. But he made it clear that nothing would be payable until after the end of the government's budget year on March 31.
>
> "How the payment for these services should be made is a question which is still under consideration", he said. "The government is, however, of the view that the remaining months of this fiscal year should be regarded as an experimental period in which experience will be gained in the handling of this new national service."

I do not profess to be a prophet, but I observe with some interest the date that the Prime Minister selected as the date before which there would be no licence fee imposed on television sets. I am just sufficiently familiar with the tactics of this government in previous years and in previous elections to be willing to hazard a guess that unless the government is driven by fear into postponing the election for a very long time—

Mr. Cruickshank: Sit down.

Mr. Fleming: —a licence fee for television receiving sets will not be established in the lifetime of the present parliament. It will be left until after the election, and it will be one of the many problems left on the doorstep of the incoming Progressive Conservative administration.

Some hon. Members: Oh, oh.

Mr. Fleming: Let us look a little more closely into this subject, because the following day in Ottawa the chairman of the board of governors of the Canadian Broadcasting Corporation was interrogated on this subject. Reference was made during the interrogation to the statement made by the Prime Minister in Vancouver the previous day, that parliament would be asked at the next session to authorize a loan to the C.B.C. for the construction of television stations on both coasts and the prairies. Let us bear this in mind when the government seeks to spur the appetites of those communities that do hope to receive television.

> Today, A. D. Dunton, C.B.C. chairman, said it is difficult to forecast how long it will take to bring the stations into operation. It may be one year or two years from this fall.

When we hear the Minister of National Revenue today conjuring up hopes that the people of Vancouver are going to have television service before the end of 1953, and bearing in mind that in all likelihood we are going to have a general election in 1953, for my part I prefer to accept the informed prediction of the chairman of the Canadian Broadcasting Corporation as to when this service will be available in these communities, Vancouver, Halifax and Winnipeg. I note that he says it will be a year or two from the fall of 1952.

Then, sir, on this subject of development, I wish to mention what was said by the

National Liberal Federation at its meeting three months ago. In a report by the Canadian Press from Ottawa on October 28, we read this:

> On the heels of its request yesterday for the abolition of radio licence fees, the 235-member council today asked for "the development of television in Canada by private enterprise along with the C.B.C."

The report also proceeds to say that "this resolution was adopted, according to delegates in the closed meeting, over the objections of revenue minister McCann". If the minister was not there in person, certainly his views were well understood. There you have a clear expression of opinion that is more closely related to the feelings of the people of this country than is the government today.

Now, sir, how good and how popular is the television service that the C.B.C. is providing in the two centres in which it is operating today at public expense? I have before me, sir, the reports of the Elliott-Haynes survey, a recognized survey which gives in parallel columns the degree of listener interest shown in the Toronto area by those listening to television programs over the C.B.C. as well as those over the private station which is available to Torontonians, WBEN-TV, from Buffalo. These are the results of listener interest according to this survey in September:

	CBLT	WBEN-TV
September	36·0	64·0
October	22·2	77·8
November	25·9	74·1
December	22·9	77·1

You will observe, Mr. Speaker, that the people who have television receiving sets in the Toronto area prefer, in the proportion of seven to two, the programs they receive over the Buffalo stations to those available over the C.B.C. television station in Toronto. Will you also observe, Mr. Speaker, that the popularity of the C.B.C. station is not rising. It started out in September at 36 per cent; by December it had gone down to 22·9 per cent.

Mr. Cruickshank: I rise on a question of privilege, Mr. Speaker, and I want to be corrected if I am wrong. When discussing this new item of television, are you allowed to speak for an hour and twenty minutes?

Mr. Knowles: The hon. member for Fraser Valley (Mr. Cruickshank) is not allowed to do so but the hon. member for Eglinton (Mr. Fleming) is.

Mr. Cruickshank: I want a ruling, Mr. Speaker. Are you or are you not allowed to speak for an hour and twenty minutes?

[Mr. Fleming.]

The Acting Speaker (Mr. Robinson): I think the hon. member will find that, under standing order 37, the hon. member who has the floor is not limited to the usual forty minutes.

Mr. Fleming: Mr. Speaker, if the hon. member for Fraser Valley is not enjoying what I have to say, I do not insist that he stay in the house. I will say this to him, however, since he is speaking about the length of speeches. The Minister of National Revenue (Mr. McCann) confided in me this morning that he was going to speak about ten minutes; then he talked for about fifty-four minutes.

Mr. Cruickshank: But he is a minister; the hon. member is not.

Mr. Fleming: Oh, I see. Isn't that lovely? This totalitarian complex has affected even the hon. member for Fraser Valley.

Mr. Cruickshank: I want an answer to my question.

Mr. Fleming: However, I shall press on.

Mr. McCann: Why does the hon. member not be fair? I said that I would be ten minutes and I spoke for forty minutes.

Mr. Fleming: Fifty-four by my count. I have another interesting report to which I wish to refer. It is the Gallup poll of public opinion.

Some hon. Members: Oh, oh.

Mr. Fleming: I am not sorry to see that the hon. member for Fraser Valley has taken his stormy departure from the chamber.

Mr. Laing: If two more leave, we shall have to adjourn.

Mr. Fleming: I wish to refer to this Gallup poll. I may say that I do not repose any unquestioning faith in Gallup polls; I do not say that they are infallible or that they are always right by any means, but I am interested in this particular one. It was issued on November 22, 1952, and it polls public opinion on this question:

> As you probably know, at the present time, the Canadian Broadcasting Corporation (C.B.C.) has complete control of television programs and broadcasting in Canada. Do you think private stations should be allowed to broadcast television programs, or should it be left to the C.B.C.

Here is the vote:

	Per cent
Private stations should be allowed	57
Should be left with C.B.C.	24
Qualified opinion	3
No opinion	16

Therefore, Mr. Speaker, you clearly see that on the part of those who were prepared to

express a clear-cut opinion on this subject, 57 out of every 81 said they wanted private development of television.

An hon. Member: Is that in Ontario?

Mr. Fleming: No, that is a national poll.

In conclusion, Mr. Speaker, I wish to make reference to a point which has been made by the minister about what has been done by the Canadian Broadcasting Corporation in the development of Canadian talent; and so far as the Canadian Broadcasting Corporation are developing Canadian talent they will certainly have my support in so doing. But I say, Mr. Speaker, that the Canadian Broadcasting Corporation is not encouraging the development of Canadian talent when it stifles the development of television in the way it has been doing. Lest anyone should think that the minister could by any chance be right in pretending that radio artists support this exclusive and monopolistic policy of the C.B.C. and the government, I read this press release of a statement issued by the agent of the American federation of radio artists, A.F.L., at Windsor on July 6. It states:

> Canadian radio artists cannot fail to be concerned by the statement attributed to revenue minister McCann on Friday, in which he was reported to have told the House of Commons that the Canadian Broadcasting Corporation will not license privately-owned television stations until it has stations of its own operating in every province of Canada.
>
> This will have the effect of depriving Canadian talent in most regions of all opportunities of gaining experience and a livelihood in this new medium.
>
> It means, furthermore, that for years to come, any Canadian performer will be entirely at the mercy of the C.B.C. as to whether he appears in television at all, for if the C.B.C. is unable to employ him, or worse still, if he incurs its disapprobation, he will be deprived of any other outlet for his talents. Should this view appear too pessimistic, it must be regarded in the light of experience with Canadian radio and the C.B.C.
>
> Since the establishment of publicly-owned radio in Canada in 1932 under the C.B.C.'s predecessor, the Canadian Radio Commission, it has taken twenty years for the system to achieve relatively complete coverage of the country as a whole, with the means at its disposal.
>
> If the extension of television service is to be similarly delayed, and private stations afforded no opportunity of entering the field, it may be assumed that many of today's radio performers will be lucky if their grandchildren see them on television.
>
> Since it has been indicated that the C.B.C. will afford the advertising agencies less latitude than exists in radio in producing and presumably in casting their sponsors' programs, the preservation of a monopoly in the hands of one body for perhaps twenty years will further deprive the art of the benefits of healthy competition.
>
> When we are forced to rely on distilleries for the encouragement of Canadian theatre, it appears strange that the enormously greater costs of television are expected to be met from the public purse when there are others willing and ready to assume the burden. We are already six years behind on this continent, and twelve years behind Great Britain where, it is interesting to note, parliament has approved the eventual entry into television of private enterprise, after thirty years of state monopoly in sound and television broadcasting.

This is my final observation, Mr. Speaker.

Mr. Knowles: Five o'clock.

Mr. Fleming: Notwithstanding what the Massey commission said, we now know that the Canadian Broadcasting Corporation has entered into contracts and arrangements by microwave relay to put United States programs of both the National Broadcasting Company and the Columbia Broadcasting System over the facilities of the Canadian Broadcasting Corporation. The Massey royal commission recommended that we have our own development of Canadian talent on Canadian programs. What has become of the Massey report now?

The Acting Speaker (Mr. Robinson): Order. It being five o'clock, the house will proceed to the consideration of public and private bills.

FAIR EMPLOYMENT PRACTICES

PROVISION AGAINST DISCRIMINATION ON ACCOUNT OF RACE, CREED OR COLOUR—BILL WITHDRAWN

On the order:

Second reading of Bill No. 4, an act to promote fair employment practices in Canada.—Mrs. Fairclough.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, as hon. members are aware, this bill in substantially the same form has been on the order paper for several sessions and unfortunately has not, until this session, reached the stage of second reading at an opportune time.

I might say that at the beginning of the present session I was both surprised and pleased to hear, in the speech from the throne, that it was the intention of the government to introduce a similar piece of legislation. That bill now appears on the order paper as Bill No. 100. I have examined Bill No. 100; and since it covers substantially the same ground as that covered by Bill No. 4, in so far as I was able to discover, it is my opinion that no good purpose would be served by proceeding at the present time with Bill No. 4. I therefore beg leave to withdraw Bill No. 4.

Hon. Milton F. Gregg (Minister of Labour): May I acknowledge the graceful withdrawal on the part of the hon. member for Hamilton West (Mrs. Fairclough) of Bill No. 4, to make way for Bill No. 100 now on the order paper in my name. I would also like to express

the hope that Bill No. 100 either does or can be made to meet her wishes in this matter.

The Acting Speaker (Mr. Robinson): Has the hon. member leave to withdraw the bill?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

The house resumed, from Friday, January 23, consideration of the motion of Mr. Knowles for the second reading of Bill No. 2, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. J. H. Dickey (Halifax): Mr. Speaker, when the consideration of this bill was last before the house I had begun a few remarks in relation to it. When the debate adjourned I had been referring to this legislation and to the history of the consideration of similar bills in this house. I had pointed out that it was my view, and a view shared by many hon. members, that a subject matter of this kind was something that should be left to the process of collective bargaining. I had pointed out that my main concern with regard to this matter was as it affected the employees of our two great national railway systems, and the steps I had taken in an attempt to do what I could to see that both parties concerned, management and labour in this particular industry, considered their positions with respect to the check-off from that point of view rather than to await or expect any legislative action on the part of this parliament to deal with it.

In his very complete and excellent speech on this matter the last day the house considered it, the parliamentary assistant to the Minister of Labour (Mr. Cote) referred to the recent settlement of differences between the railway management and the non-operating employees, and the new contract which had been entered into between the railways and the unions representing those classifications of their employees; and he pointed out that as one of the terms of this recent agreement the employees had been granted a form of union security, the check-off, on what I believe to be a very much more favourable and more satisfactory basis than would be provided under the provisions of the enactment which is before the house this afternoon and which in virtually identical form has been before this house in previous sessions.

I believe that the conclusion of this agreement between the railways and the unions representing their non-operating employees is a vindication of the position that has been taken in this matter by the Minister of Labour and by hon. members who have indicated views similar to those expressed by him and by the parliamentary assistant. It is certainly a vindication of the position of a former minister of labour, the late Humphrey Mitchell. I remember very well the excellent way in which the late Mr. Mitchell, when he was responsible for the Department of Labour, dealt with matters of this kind, not only in this house but in the committee which during 1947 and 1948 considered with such care the provisions of the national labour code which was enacted into law by this house in 1948. I know we all enjoyed the rather rare but always interesting contributions that Humphrey Mitchell used to make to the debates in this house. He spoke very forcefully indeed on a measure similar to this one on several occasions during my time here in parliament.

It must be obvious to all who are interested in and understand the labour movement that the position he took in those days has certainly been vindicated by the events of this year which were referred to in his speech the other evening by the parliamentary assistant. It is a vindication also, I believe, of the attitude that has been taken in this house and expressed on a number of occasions by the hon. member for Edmonton East (Mr. Macdonald), who I think has as much personal experience in labour matters as any hon. member.

The hon. member for Edmonton East has expressed his views on this particular proposal on several occasions. I was delighted to know that when speaking earlier in this debate he was able to point out how satisfied he was with the kind of union security which he had hoped for, and for which he had worked, and which he urged had been brought about by the process of collective bargaining. He expressed his satisfaction that this house had never fallen into what he considered would have been the error and which I consider would be the error of legislating into effect a form of union check-off which would not give the kind of security desired by him, by other hon. members and by other people who believe in the value and the strength and the service of labour unions, the kind of union security to which they are entitled and for which they should work.

I think that position, the position of the hon. member for Edmonton East, the position of the late Humphrey Mitchell, the position of the present Minister of Labour, the position of the parliamentary assistant and others, which has been so clearly stated in the house, is the correct one, and it is the position which I believe receives the support of a very large majority of the members of unions who will be affected by legislation of this kind.

The late Humphrey Mitchell always used to say that what governments can give governments can take away, and he did not want to see essential elements of working conditions, conditions of labour and all that sort of thing, which he regarded as matters for collective bargaining, brought into the realm of the kind of thing about which we legislate in parliament.

I support that view. That is the reason for the stand I have expressed on many occasions in the house, and which I repeat today. I think the probabilities are—and I would hope this would occur—that the step taken to establish the Rand formula check-off for the non-operating unions of the railways will gradually be extended and adopted in respect of other employees who would be affected by this legislation. I should think that, in that event, the end result would be much more favourable, both from the point of view of labour and of management, in all the industries which come under the provisions of our national labour code.

In referring to the national labour code I think I should draw attention to the interesting and, I think, valuable suggestion made by the parliamentary assistant in his speech on this bill, to which I have already referred. He suggested that as the labour code was enacted into law by parliament in 1948, and a period of five years from that time will have elapsed shortly, consideration should be given to having the legislation referred to the committee on industrial relations at some early date so the committee could study the legislation in the light of the five years of experience we have had and management and labour have had in the working of that labour code.

Mr. Knowles: Would that be before or after the election?

Mr. Dickey: Perhaps the hon. member has more information than I have about future events of that kind. However, I do not think our views on whether or not this is a valuable suggestion would depend upon the intervention of an election. I should think most members would be prepared to consider that proposal as one which could be brought into effect at an appropriate time, whether or not there should be an election in the meantime.

My only purpose in calling it to the attention of the house is to record my support of that suggestion, and I would hope that other hon. members who may take part in the debate would indicate whether they think this suggestion merits consideration or otherwise. It appears to me that the committee on industrial relations is the proper one to deal with matters of this kind; and a reference of the labour code to the committee, with proper publicity and some warning, would give all interested parties an opportunity to prepare submissions which could be placed before the committee. In this way a thorough and complete study could be made of the legislation as it stands on the statute books, and an investigation could be made as to the way in which it has operated. I am sure we would receive very valuable suggestions which we could use as an indication of amendments which might be made to improve or to expand the present provisions.

The proposal of the hon. member who sponsors the bill is, as has been pointed out, one which amounts to an ad hoc amendment of the labour code, in a way which obviously would not be in accord with the general scheme and principle of the legislation.

The hon. member for Vancouver East (Mr. MacInnis), who immediately preceded me in the debate, as I understood him attempted to make the point that the opening sections of the labour code do, in fact, dictate to both management and labour what must be done and that, in effect, these sections are achieving the same kind of imposition of procedures on both management and labour as would flow from our putting into legislative form a proposal for the check-off, or some other form of union security.

I would point out to the hon. member that in my view there is a very wide difference between the provisions of legislation which creates the necessary machinery for two parties to come together to bargain on matters of common interest, and any attempt by a legislature or any other authority to dictate the terms of an agreement which would be entered into between those parties, using that particular mechanism. It is just as if our general law, which provides for the enforceability of contracts, were to be amended to require that a certain provision be a part of every contract in order that it might be enforceable.

There is a great difference between the setting up of machinery by the appropriate government authority to do certain things, and the imposition by a government authority of certain things that must be done through that machinery. It is for that reason that I think this proposal is contrary to the underlying principle of our labour code, and that we

should not amend the labour code in this regard without considering the whole basis of our legislation and, if necessary, making appropriate changes in its principle to permit us properly to adopt suggestions of this kind.

That is the sort of study that I think the committee could give to this legislation. I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) will be a member of that committee, and that his advice and arguments will be of great assistance to the committee in coming to a conclusion. I see that the hon. member wishes to ask a question.

Mr. Knowles: Yes, if the hon. member will permit me to do so. I was going to ask the question which I think I usually ask at this point in this speech, but there is a little variation in the hon. member's remarks, so I shall change my question. In view of the hon. member's suggestion that this is a matter that might well be considered by the industrial relations committee, why not let that committee give consideration to this measure at this session? After all, it is a standing committee. The hon. member has said that I may be a member of that committee; I am a member of it, and I know it has not met for quite a while. Why not give this bill second reading and let it be referred to that committee so it can be considered at this session?

Mr. Dickey: The suggestion made by the parliamentary assistant was that this course be considered, and I am sure it will be considered. It is not my responsibility nor that of the hon. member to decide whether or not it is possible to do it at this session or whether it should be left over for another session.

Mr. Knowles: What stands in the way?

Mr. Dickey: As I pointed out to the hon. member, that is not our decision. I know, as he knows, that there is a pretty heavy program of work for both standing and special committees at this session. I would think it would be a matter of some difficulty to fit in another important committee. I think this is a matter of great importance. If it is to be considered at all, it should be done in such a way that everyone who wishes to make representations to the committee will have the opportunity to do so. I think it would be somewhat difficult to expect that members of the general public or interested bodies would be in position, without having more warning than could be given at this stage, to make the kind of representation they would like to make, not just on this small matter, but on the whole working of our labour code and its record of performance from the experience that we have had. Another point is that perhaps we are a little premature. The five years will not be up until September. When that five-year period has run its course I think could be the proper time to consider this matter in some detail.

I might point out that that was one of the recommendations made by the late Humphrey Mitchell when speaking either on a similar bill at a previous session or on some other proposed amendment to the labour code. He said he hoped that after we had five years' experience with this legislation there would be an opportunity for a thorough consideration by the committee.

The purpose I had in mind in rising was, first of all, to express my great satisfaction at the outcome of the negotiations which resulted in the establishment of the Rand formula check-off in connection with the non-operating employees of the railroads by means of collective bargaining rather than by legislation, and to reiterate what I think are the specific reasons why we should not at this time approve of the bill presented by the hon. member. That is why I for one will once again express my opposition to it.

Mr. Knowles: I wonder if the hon. member would permit one more question before he sits down. Before he points it out himself, may I say it is the same question I have asked him in previous sessions, only at a different place in his speech. If this is a principle which he cannot accept in connection with the federal labour code, why is it that it seems to be a perfectly proper principle for a number of provincial labour codes, including the labour code of his own province of Nova Scotia?

Mr. Dickey: As I have pointed out to the hon. member, I think some of the provincial labour codes proceed on quite a different principle than that adopted in the national labour code. I think the argument suggested by the hon. member's question is the kind of argument that should be presented to the industrial relations committee, if and when we get a chance to reconsider this whole matter.

Mr. Knowles: Are you not going in a circle now?

Mr. C. E. Johnston (Bow River): Mr. Speaker, it is not my intention to prolong the debate on this matter because I have spoken on this question several times. This is not the first time this bill has come before the house. I should say that on each occasion it has come before us we have supported it for a number of obvious reasons which I shall give in a few minutes.

It has been said by speakers on the government side of the house that the proper way to deal with a bill of this kind is to refer it to the industrial relations committee. I recall back in 1948 that this very question came up before the committee. Of course I realize that the present Minister of Labour (Mr. Gregg) was not minister at that time, the minister then being the late Hon. Humphrey Mitchell.

This question has been given lengthy consideration in the committee on a number of occasions. I remember it was given a thorough going over in the industrial relations committee in 1948, and the committee voted in favour of having a voluntary revocable check-off provision included in the legislation. When the bill was reported back to the house it was the then minister of labour who caused that provision to be rescinded. If the same attitude is to be taken when the committee is next set up as was taken at that time, no good purpose can be served in even having it referred to the committee. The attitude of the government, as it has been presented to us during this debate, does not seem to have changed from what it was at that time.

I cannot understand why there should be so much government objection to having a voluntary revocable check-off provision in our labour code. The compulsory check-off is included in the legislation in Alberta having to do with our teachers. To my knowledge there has never been any objection either from teachers' organizations, from school boards or from anyone else about that legislation. I understand that similar legislation has worked quite satisfactorily in Saskatchewan.

I think I am safe in saying that all of the mining contracts in Alberta contain a voluntary revocable check-off provision. It is true that that is not by legislation but by negotiation, but the provision is there just the same and there has been no complaint in that regard. I feel quite sure there would be no complaint in connection with the mining contracts if that provision were in the legislation. Both types, the compulsory check-off and the voluntary check-off, are working there, and certainly no objection has ever been raised.

It is all very well to say that this should be done by negotiation. The government has pointed to the new contract which was entered into on December 19 between the non-operating employees and the railroads as indicating the method that should be followed. Mr. Speaker, as I well remember when I was teaching in the province of Alberta, there were a very small number of us who continued to pay our fees to the Alberta teachers' organization. A great many of those people who were teaching—and this applies to all types of labour—would only pay their dues when they found themselves in need of assistance from the association. That point should be remembered.

Anyone who has had anything to do with labour organizations, be they teachers or miners, knows that you just cannot carry on an organization without proper financial assistance. The railways say: Well, it should be a matter of negotiation and the unions should collect their own fees; but, mind you, the railways themselves are in a very preferred position when it comes to getting their financial revenue. They even have the interest on their investment guaranteed by legislation. They should be the last people in the world to object to the voluntary revocable check-off. Their profits are guaranteed by legislation. Every time there comes a raise in pay they just come back to the government and say, "Well, this is it. You will have to give us higher freight rates in order to meet these obligations."

It is most difficult indeed for any workers' organizations to carry on unless they have a very definite means of getting financial assistance. There is no doubt in anyone's mind that the labour organizations have given in the past and are now giving a service to their members which has resulted in raising their standard of living very materially. It is they who have improved the working conditions of working people in this country more than any other type of organization. Everyone acknowledges that, and these unions can only function if they have some means of raising the necessary funds to carry on. They have found by experience that it is most difficult to carry on in the manner in which the government would have them carry on.

As I said a moment ago, Mr. Speaker, it is not my intention to talk this thing out. I have no objection whatever to its being referred to a committee, though I am a little bit dubious about what action will be taken on it there, when I well know that a majority of members on the committee will be Liberal members who favour the government's stand on this question. However, I suppose it is the proper place for it to be referred; therefore I am not taking any more time except to say that I am in favour of it, and if it should come to a vote, I shall vote in favour of the bill.

(Translation):

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I had no intention of making my maiden speech tonight, and I hope that you will not consider the few opinions I am

about to express as being my maiden speech in this house.

(Text):

I was saying, Mr. Speaker, that I hope no one will take these few remarks as being my maiden speech. However, industrial relations is a question that does interest me particularly. I think it is a rather important subject, and I would like to voice a few of my opinions.

I do not believe that anyone has really been opposed to the voluntary revocable check-off proposed by the hon. member for Winnipeg North Centre (Mr. Knowles). There is nothing radically wrong with the principle, and no one on this side of the house objects to it. However, there can be some question about its efficiency. As the hon. member himself has stated, this particular principle of the voluntary revocable check-off does exist in most of the provinces. As it is applied in practically all industries where unions are authorized by their respective labour commissioners, I do not believe that anything would be added by having federal legislation on the subject. As the hon. member says, the motion can do no more than give a minimum amount of union security, so the purpose of the motion itself would not avail a great deal for union security of which everyone is in favour. The particular principle already exists in the different provinces and is applied in practically all the large industries of the provinces.

There is one other question which to my mind is rather important, and it is a question of policy. I have not been here sufficiently long to know what the exact policy of the government is on this subject but I personally feel that the federal legislature, as a matter of principle, should keep out of business and industry as much as it possibly can. I am not alone in saying this. If you will permit me, I would like to read some pertinent remarks that I have taken from the Montreal *Gazette* of January 21, 1953, entitled "Hands off Industry—Chamber".

Canada's businessmen today asked the federal government to keep its fingers out of industry as much as possible.

Further down it says that:

—in Canada the relationship between business and government is something unique in the world, valuable and worth keeping.

To maintain this relationship business should refrain from looking to the government for solution of its problems and difficulties—

I believe there is much in that statement. I believe it is a fundamental principle, and that we could condense it by saying that when trouble arises between unions and employers it should be settled between themselves if at all possible. Afterward, if the parties cannot come to any agreement, the most natural person or organization that should be consulted or that should intervene is the provincial government. That has been done. In most labour codes they have the subject matter of today's discussion, a section regarding the voluntary revocable check-off. It is the parties I have mentioned, to my mind, whose duty it should be to solve the problems of industry in the different provinces. There they know more of the problems of the particular industry than the federal government knows.

That is what I have to offer by way of comment on this motion. I believe that, as a matter of policy, the federal government should only in case of absolute necessity, but not as a general practice or policy, invade the field of industry, which to my mind should be left under the control of the provincial governments. May I say that since the voluntary revocable check-off exists in the provinces; since it applies to most industries throughout Canada; since it can give only a minimum amount of union security, then I do not see any point in passing this bill. I feel that I should vote against such a measure.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, the hon. member for Richelieu-Vercheres (Mr. Cardin), who has just taken his seat, put his finger on the crux of this situation. He has pointed out that many of the provinces have provided for the voluntary revocable check-off in industries over which the provinces have jurisdiction. The federal labour code applies to those industries which are interprovincial in character, and therefore do not come within the legislative competence of the provincial governments. The people who are employed in those industries, such as communications and so forth, are therefore a group of people who might be termed second-class citizens, because of the fact that they do not come under provincial jurisdiction, and because of the fact that their unions have to deal on a national basis for many of their benefits.

Now, I believe the most important reason for the voluntary revocable check-off is that it does bring the employer and employee together on a basis of recognition. While forcing the employer to give recognition to the union, after a time it removes the feeling of animosity that existed before this measure of security was obtained. When an employee makes an assignment of his wages for any other purpose, it has been honoured by the employer. In the case of income tax collections for the federal government it is not even necessary to make a written assignment of your wages. The assignment of a portion

of an employee's wages each month for the payment of bonds has been accepted as a good policy. Deductions are made for other purposes, such as housing loans and welfare societies; and in cases where employees band together for the purpose of insuring their health, they may have the premiums deducted from their wages. When an employer refuses to honour a written assignment for another body, an organization just as important as the employer organization, then it necessarily causes a feeling of resentment and does not act in the best interests of labour relations. Some employers refuse to accept this principle, yet in the provinces where the principle has been accepted we find the very best of labour relations and the unions enjoy some measure of security.

I would say to the house that there is a very limited amount of compulsion in the voluntary revocable check-off. I should like to read into the record a section of an agreement which is in force between the Consolidated Mining and Smelting Company and local 651 of the international union of mine, mill and smelter workers. I should like to quote section B of article 21, but before doing so perhaps I should quote section A:

> The company shall honour a written assignment of wages to the union.

As I pointed out before, that gives a measure of recognition and leads to harmony between the company and the employees. The company honours other assignments, so it agrees to honour an assignment of wages for union purposes.

Section B reads as follows:

> An assignment pursuant to section A shall be substantially in the following form:
>
> To The Consolidated Mining and Smelting Company of Canada Limited.
>
> Until this authority is revoked by me in writing, I hereby authorize you to deduct from my wages and pay to local 651 of the international union of mine, mill and smelter workers fees in the amounts following.

That is the assignment which, under this legislation, would require an employer to deduct union dues. For those who maintain that there would be less compulsion if this matter were left entirely to negotiation between the company and the employees, I should like to read a quotation concerning union security by Chief Justice Sloan. I understand that the union had asked for a union shop, and the matter was referred to a mediation committee headed by Gordon Sloan, Chief Justice of British Columbia. As a consequence of the decision of that committee, the following article now appears in this agreement from which I have quoted:

> The company shall during the life of this agreement deduct, as a condition of each employee's continued employment, the sum of $2 from the first pay cheque due in each calendar month to each such employee and remit the same prior to the tenth day of the month following the month in which such deduction is made, to the financial secretary of the union. The company will, at the time of making each such payment to the financial secretary of the union, name the employees from whose pay such payment has been deducted.

This has become known as the Sloan formula, and is very similar to the Rand formula which has been adopted in some industries in Ontario. I simply wanted to point out the difference between this voluntary revocable check-off and other forms of union security. In common with many other Liberal members, perhaps all the Liberal members from British Columbia, I believe that this legislation will be a benefit to those in industries affected by it, and that it should pass at this time.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I wanted to say a few words on this matter but I do not think I could complete what I have to say by six o'clock. May we call it six o'clock?

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The time for private and public bills having expired, the house will resume, at eight o'clock, consideration of the business which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

BROADCASTING

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed consideration of the motion of Mr. McCann that the house go into committee to consider the following resolution:

> That a select committee be appointed on broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; that the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary; that the committee have power to meet while the house is sitting; that the committee shall consist of the following members: Messrs. Beaudry, Boisvert, Breton, Carter, Courtemanche, Decore, Diefenbaker, Dinsdale, Fleming, Fulton, Gauthier (Portneuf), Gauthier (Sudbury), Hansell, Henry, Jones,

Kirk (Digby-Yarmouth), Knight, MacLean (Queens), McCann, Murray (Cariboo), Mutch, Richard (Ottawa East), Riley, Robinson, Smith (Moose Mountain), and Whitman. That standing orders 64 and 65 be suspended in relation thereto.

Mr. St. Laurent: Mr. Speaker, may I have your indulgence for a moment. Matters have arisen during the dinner recess which make it desirable that those of my colleagues and I who can be out of the house, without interfering with the business here, do give those matters consideration. I apologize to our colleagues in the house for our absenting ourselves, but I am sure there will be a full quorum.

Mr. Low: We will take care of it.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, before the dinner recess the hon. member for Eglinton (Mr. Fleming) had been deploring the monopolistic position of the C.B.C. vis-à-vis the private radio stations in Canada. We of course cannot agree with the hon. member for Eglinton in that regard. As to the report of the royal commission, we find ourselves in agreement with it rather than opposed to it.

In the matter of the private stations I think our view would be expressed by that report at page 283, where it says:

> The principal grievance of the private broadcasters is based, it seems to us, on a false assumption that broadcasting in Canada is an industry. Broadcasting in Canada, in our view, is a public service directed and controlled in the public interest by a body responsible to parliament.

I would suggest, sir, that the C.B.C. is not a competitor, in the ordinary sense in which that word is used, of the private radio stations. It is not just one rival amidst a group of rivals. At page 284 the report of the royal commission on national development in the arts, letters and sciences has this to say, which expresses our view:

> The statement that the board of governors of the Canadian Broadcasting Corporation is at once their judge and their business rival implies a view of the national system which has no foundation in law, and which has never been accepted by parliamentary committees or by the general public.

The broadcasting set-up that we have in Canada was established, as hon. members know, by the government of the late R. B. Bennett in the following terms as reported at page 2826 of Hansard of 1932:

> That it is expedient to bring in a measure to provide for the constitution of a commission to be known as the Canadian Radio Broadcasting Commission, for the purpose of acquiring, operating, regulating and controlling radio broadcasting in Canada.

Then there is the idea of an independent regulating authority to which the private stations would appeal if they found it necessary, presumably against decisions taken in regard to them by the Canadian Broadcasting Corporation itself. I am afraid we cannot even go as far as that, because that again would do the very thing which it has been suggested in the quotations I have read should not be done, namely bring the Canadian Broadcasting Corporation down to the level of those private stations. By that action you would destroy the possibility of public radio doing a good job for the people of Canada. You would bring down to the level where it would be merely the commercial rival of the private stations, a corporation which, according to the purpose of the act passed and the resolution which I have read, was to have as one of its functions the actual control of radio broadcasting in Canada. You will notice that I did not use the term "public ownership". I said "public control" because as I see it the private stations have a very distinct and useful function in radio broadcasting in Canada, but that I shall develop in a minute or two.

The result of the setting up of such a regulatory body would change the whole function of the C.B.C. You would then have the picture of the C.B.C., which functions as a regulatory body according to the act, being in the position where it would have to compete for business with the private stations, and by so doing and by that concession to commercialism, as I see it, there would be a consequent and growing inferiority in the matter of programs.

We welcome the setting up of such a committee as is envisaged in the present resolution, in which we may review the work and activities of the C.B.C. We think it is a democratic process to have a corporation of this kind whose actions can be scrutinized year by year by the elected representatives of the people.

In the name of my party I would reiterate our position in the matter of public control of that body. As they were meant to do, and in conformity with their proper function, private stations have given good service in various places across Canada. I think there is a place for them, particularly in a country as widespread and as far-flung as Canada. But we must not forget that the privileges private stations have enjoyed have not been given to them as of right but, as it were, as an act of grace; and they must not presume upon that fact. They are not rights at all, in terms of the broadcasting set-up, but rather strength which they have accumulated by that act of grace on the part of the Canadian people.

Our friends in the private radio stations talk a good deal about freedom of speech. I would imagine that all hon. members would favour that. But in commercial broadcasting, by the very nature of things work is done for private profit. Most of the time allotted by these stations has to do with the making of money, and that is perfectly all right for a private station. The general result, however, is—and I believe I am correct when I say "is" —certainly the general result would be, under the set-up as they see it, too great an allotment of commercial time, with a resulting disadvantage along other lines.

Surely there must be some equitable division of time allotted for political broadcasts. That is to say, there should be an allotment of time which would not be dependent upon the possession of money, or the lack of it, as might well be the case in respect of some political parties. Under a system of public control surely we would expect a situation wherein all public opinion would be represented; and we would see to it—as indeed we are seeing to it—that in broadcasts there would be represented all shades of opinion, and that these opinions might be aired with justice and equity. Both sides of any question would be heard.

I suggest that if there is a purely commercial set-up it is only natural and human that those who have the most money to buy radio time would have the greater use of radio. On the other hand those who had not the money would not be able to avail themselves of radio time. That would be the ultimate conclusion under a broadcasting system controlled completely and totally by private hands rather than in the public interest or, as we have it today, under mixed public and private control.

In the middle west programs of the Canadian Broadcasting Corporation are very popular indeed. I can speak, of course, more particularly of that part of the west from which I come. Programs such as "Farm Forum", the Wednesday night program, and others are received with great favour. We know there is some criticism of the C.B.C. I have never known anything worth while against which there was not a good deal of criticism. This would apply not only to an organization but also to a man in public life.

I realize there is some criticism of the C.B.C. as an agency under public control. We suggest, however, that much of that criticism is the result of propaganda—very efficient propaganda—carried on by those who would profit by a lessening of that control.

I am glad the C.B.C. gives opportunity for the development of local talent in the arts of music and literature. I believe I would be expected to say that in my part of Canada there is a gap in the C.B.C. service, and I refer to the area in the heart of Saskatchewan. I welcome the setting up of the committee because it provides an opportunity to question officials of the C.B.C. as to when they are going to bring to the prairies the production studio we have been promised. We have been told by those who plan such things for the C.B.C. that this matter has first priority. I shall carry my representations a little further and say that my own city of Saskatoon would be the ideal location for such a production unit. I shall not develop this point at greater length, because it was not my purpose in rising this evening to do so. Let me point out briefly, however, that geographically Saskatoon is in the centre of the province, it is the centre of culture in the province and is the seat of the provincial university.

But enough about local matters. Let us pass on for a moment to television. When compared with radio, television has even greater powers for good or evil, if I may so describe those powers. Because the television channels are much less numerous I should think that public control would be even more essential.

As one who has interested himself in educational matters, and particularly the guidance of young people, I have been interested in statistics from the United States which show the number of hours that children in that country, either with or without their parents' consent, spend watching television. Let me say at once that if our television programs are not a good deal better than some I have seen in the United States, or coming from that country, so far as the youth of our country are concerned we would be better without it.

This does not mean that we are not able to build good programs. On the contrary it seems to me that it is simply a matter of taste, and of control by people in charge who will give us the kind of programs we want. I suggest that no group of people are better qualified to give that control than are the people's representatives in the House of Commons.

Let me compare programs from the United States with those I have seen in Great Britain. Let me admit at once that I did not see many over there, but I did see some. I have in mind particularly the programs in Great Britain televised for the young people of that country. In my opinion those programs were excellent both in their educational and entertainment values. They have a wide variety and I do not suggest for one moment that they should be Sunday school classes.

Despite what has been said by previous speakers, I am glad that this is one publicly-owned corporation which has been given a chance. I am glad that the corporation is going into parts of Canada where television can be successful. In the past when the government has favoured public ownership of this sort at times, it has gone in and taken over where private enterprise has failed or has attempted to operate in parts of the country where it was impossible for either public or private enterprise to make good. But here is a publicly-owned corporation in which we are all interested that is being properly looked after and given a chance to be a success.

The radio licence fee has been mentioned by others, and perhaps I should say a word about it. I think the general view throughout the country is that there should be no licence fee as such. It is a costly matter to collect and is a nuisance. I believe there are still certain black-out areas in Canada, for example in central British Columbia, where the people would not be getting value for their money if they had to pay a fee. I have no doubt that through the good work of the technicians of the C.B.C. these areas are becoming fewer in number, but I believe some still exist. I would not wonder if the hon. member for Kootenay West (Mr. Herridge) had something to say about this as he has on other occasions.

I do not think this radio fee is any longer an issue. If an election is in sight I predict that our Liberal friends will do away with this particular nuisance tax before going to the country. I will close with these words in order to let someone else take up the subject.

Mr. E. G. Hansell (Macleod): Mr. Speaker, we in this corner of the house are happy to support the motion for the setting up this year of a radio committee. In fact in previous times we have advocated that this should be a standing committee.

I should like to say a few words in reply to the minister who spoke this afternoon. For the most part we agree with many of the observations which the minister made. In this connection may I say that we are not opponents of the C.B.C. in the sense of opposing the corporation. We like to be fair in all things. I am not going to stand here this evening and rip the C.B.C. to pieces, and I certainly am not desirous of bringing this matter into the general political arena.

We believe that the Canadian Broadcasting Corporation has a very important place in radio in Canada. We do not oppose the C.B.C., but we do oppose certain radio policies which have been written into the laws of this country. We maintain that it is the law of the country affecting radio policies that needs to be changed. We believe that the C.B.C., being in a competitive radio field, should not have powers of regulation and control.

This afternoon the minister stated that many people and many powerful organizations in Canada had sent in resolutions of commendation of the present radio policy and the work of the C.B.C. As far as commendation of the corporation is concerned, perhaps that is all to the good. The minister told us also that there was some criticism, and that too is to the good. I do not think even the C.B.C. would say that criticism was not sometimes good. However, there is a difference between criticism of radio policy that might be levelled at the Canadian Broadcasting Corporation and what might be levelled at independent sponsors of radio.

Criticism levelled at an independent sponsor indicates to that sponsor that he must be ready to adjust his program, or else. That is not necessarily so when criticism is levelled at the government-owned and subsidized corporation. It does not necessarily have to pay a great deal of attention to such criticism because after all the life of the corporation is dependent to a large extent upon the public treasury. That difference in respect to criticism I think should be noted.

There is another thing I should like to say in respect to the minister's observations this afternoon. He had a good deal to say about the virtues of broadcasting, but I would remind him that much of what he said, which I suppose he intended to apply to the corporation, could be said about broadcasting in the independent field of radio. Those virtues can be applied to all radio; they are not confined to the publicly-owned Canadian Broadcasting Corporation.

I do wish to say a word about what I consider to be the proposed tightening up of regulations affecting independent stations in respect to religious broadcasting and about any proposed changes that may be under consideration for tightening the regulations in respect to political broadcasts. I wish to say a word there because it does appear to me that this tightening of regulations seems to be aimed at religious and political broadcasting while there may not be the same regard—in fact the evidence that was pointed out this afternoon by the hon. member for Eglinton (Mr. Fleming) would indicate that there may be a loosening of the regulations—in respect to other types of broadcasting. He referred to some of the programs that had recently been broadcast over the networks of Canada.

There is one responsibility that the publicly-owned broadcasting company has, and it is a responsibility that we must not forget. It is a responsibility toward the homes and the family life of our Canadian citizens. Let us remember that every radio program or television program goes into the homes of our citizens, and that is a very, very important thing. Let us not forget that as it is such a powerful medium for shaping public thought and public morals, radio should be guarded with the greatest of jealousy to see that the programs which go into our homes will tend to elevate and bring our Canadian nation to a place of respectability.

Now, I have had several comments by way of criticism, and although I do not want to be harsh I am passing them along. I have heard some criticism in respect of a broadcast known as "Stage 53" which was broadcast a few days ago. I think the name of it was "Lily's Story". I did not hear it, but my information is that Lily was described—I think perhaps by the commentator, I am not certain, but it does not make any difference who it was—as a "pale slut". I do not think that is a good thing, a good phrase—

An hon. Member: It is not parliamentary.

Mr. Hansell: No, it is not parliamentary and it certainly is not the right thing to go into the ears of boys and girls and the young people in our homes. Lily, who was supposed to be a pale slut, is involved in this story which went to the effect that a Chinese cook attempts to seduce this teen-age Canadian girl whose name is Lily—and she is a pale slut. I don't know whether the Chinese cook succeeded according to the story, as I did not listen to it, but I am told the story ended with this girl becoming a chambermaid and marrying a Winnipeg widower.

Some hon. Members: Oh, oh.

Mr. Hansell: There are a few inquiries coming in my direction. I cannot give you the address of the Winnipeg widower. These broadcasts have been made, but I think good common sense should be used with respect to the type of drama that we pour into the ears of our young people.

Mr. Low: Until after midnight anyway.

Mr. Hansell: The leader of this group says until after midnight anyway, while this broadcast was at an hour when young people were liable to be listening.

We have all heard the criticism, although I am not going into the matter, of the television program "Hilda Morgan". Frankly, Mr. Speaker, I am not a radio fiend and I do not seem to hear these broadcasts. Perhaps other people are not as busy as I am, because I never seem to have time to tune in some of these programs.

Mr. Knowles: It is surprising the ones you do tune in.

Mr. Hansell: My information comes to me from people who protest these programs. I read in the paper the other day of a broadcast that was contemplated on the birth of a baby and that the commentator, I think, was expected to be in the delivery room at the time of the birth. I do not know what he would say but, frankly, I do not think that is the sort of thing that is necessary at all. As the leader of this group says it is getting pretty sordid. Why is that necessary? Just why is it necessary to broadcast a thing like that?

An hon. Member: What is wrong with it?

Mr. Hansell: There is a lot wrong with it. My hon. friend interjects—

Mr. Knowles: You do not mean that the birth of a baby is sordid?

Mr. Hansell: No, not the birth of a baby, but the matter of commenting on it from the delivery room and making a public exhibition of a thing which I regard as somewhat sacred and something that should not be treated as a piece of showmanship.

An hon. Member: Hear, hear.

Mr. Hansell: I say it appears to me that the regulatory body, which is the C.B.C., contemplates tightening regulations on religious broadcasting but continues to perhaps flout public opinion respecting dramas with a distinctly immoral tinge.

I want to have something to say about the tightening up of religious broadcasts. I understand they are tightening the regulations with respect to any suggestion from religious organizations that their broadcasts are supported by voluntary contributions, except with special permission of the C.B.C. Now, I am a preacher—

Mr. Diefenbaker: And a good one. I have heard you.

Mr. Hansell: I have done a little broadcasting but I have never had a very big church, and I do not expect that I ever will. I have a small congregation, and frankly, a congregation the size of mine could not afford to put over a regular religious broadcast if it was not permitted to indicate that such broadcast was supported by voluntary contributions. I can quite understand the desire to stop any racketeering along this line, and if it is to stop racketeering, then I am with

the C.B.C.; but I do not contemplate that that is altogether the reason for the tightening of the regulations.

A good many religious broadcasts are dependent upon voluntary contributions by the listeners. Why should that not be so? I see nothing wrong with that. I quite admit that you would not want the broadcaster to spend half the time attempting to bleed the people, but a simple announcement that this broadcast is supported by voluntary contributions would be sufficient. I see no harm in that. There is a very important and vital principle here, and it is the principle of freedom—not necessarily the freedom to suggest that the broadcast is supported by voluntary contributions. It goes deeper than that. It is denying the people of Canada the freedom of contributing to the things they want to support; that is what it denies.

I would say the same thing with regard to political broadcasts. I do not see why political broadcasters should not be able to suggest that the program is supported by voluntary contributions. I know something, too, about what it costs to run campaigns. I think we are all aware of the fact that powerful parties have money to spend on that sort of thing, whereas new parties do not. Why should a political broadcast not be carried on on its merits? If its merits appeal to the people and they wish to support it, why not? I think that is the very element of freedom that we want in Canada.

Before dealing with that particularly, might I go back to these religious broadcasts. Imagine, if you please, the clergy of the country, the churches of our country, the bible schools of our country and those who desire to present to the people what they believe is the word of God and what they believe will strengthen the moral and Christian fibres of the country. Imagine such broadcasters having to go to the C.B.C., the regulatory body, and beg and say, "Will you please give me permission to tell the people that I am poor and my broadcast is supported by voluntary contributions?" Can you imagine a thing like that in Canada? I am glad the minister said the suggested regulations were not going to be put into effect until the radio committee had met. Nevertheless, according to the press, that is what the C.B.C. contemplates doing. Frankly I cannot imagine such a thing in a free country like this.

The leader of this party asks, what are the reasons? I do not know what the reasons are. They are beclouded, they are nebulous. If some religious organization were out plugging for money every minute of the broadcast time, it would be a different thing.

[Mr. Hansell.]

I have not heard any of them do that. There is a certain amount of commercial broadcast time that can be devoted to advertising the things the broadcaster has to sell. In some of these broadcasts a great deal of time is taken in the promotion of their wares and in attempts to induce people to spend their money. Whether or not the people are getting their money's worth out of it, I do not know. In so far as religious broadcasts are concerned, the proposal is that they cannot ask for money or even mention that they are supported by voluntary contributions, without first going to the supreme high potentate of radio, the C.B.C.

I believe, too, that the regulations in respect to political broadcasts should be loosened up a little bit. I am not saying that we should necessarily go too far along that line. I do not believe that political broadcasting should be a racket, either. I believe it should be carried on within the confines and the ethics of good broadcasting. But we do find that the regulations do not permit dramatized political broadcasting. I do not know what would be regarded as dramatized political broadcasting. I do know this, if my memory serves me correctly, that in the early days when Mr. Aberhart first went on the air with our Social Credit political organization, he made some political broadcasts. All he did in those broadcasts was to open them with an alarm clock ringing, and as this alarm clock started ringing a voice would say, "People of Alberta, wake up; it is time to wake up." He had to withdraw that. He had to take the alarm clock off the air because it could be interpreted as dramatizing a political broadcast. I think that is going too far.

The regulations will not permit political broadcasts by the process of question and answer, either. I believe that the regulation is entirely too severe. There is no reason why two people cannot go on a program with one person asking the other a question for clarification, such questions as are asked by everyone. Such a method is more interesting, and it gives life to the program. It is done by the C.B.C. forum, and it is done during press conferences. Nearly all these forums and conferences have some political significance. They discuss some subject that is of interest to the people of Canada, and it has its reflection in political activities somewhere. Yet that method is not to be permitted. I believe that such a regulation is far too stringent, and certainly is an encroachment upon the liberties of the people.

I should like to say one or two things in respect to political broadcasting in the light

of the introduction into Canada of the most powerful medium of broadcasting known to modern times; that is, television. At the moment, I am not going to discuss television policy. I am in complete accord with many independent radio people who contend that the channels for television should be opened to independent broadcasters. It is certainly true that the fields of television the Canadian Broadcasting Corporation have kept for themselves are unquestionably the most lucrative ones. I am well aware of the fact that those fields are also the most densely populated. I do not know what their policy is going to be as they further extend television. This afternoon the minister indicated that if there was one C.B.C. television station in the province of Alberta, perhaps the rest of the province would be free for the development of independent television stations. I do not know whether there is going to be any fight between the city of Calgary and the city of Edmonton as to who is to get the first television station; I hope there is not.

Mr. Knowles: Maybe they will put it in Macleod.

Mr. Hansell: It is not likely that they will put it in Macleod because Macleod is not a large city, and it would not likely pay there. I am, however, going to say this. Besides the city of Calgary and the city of Edmonton, there are other good-sized places. There is the city of Lethbridge with a population of 22,000 and the city of Medicine Hat with a similar population. I trust that these areas are not going to be forgotten.

What happens, of course, is this. When the C.B.C. takes the most lucrative fields, independent radio can only develop fields where they are likely to go broke. It is said: Oh, that is all right; but let us remember this. One of the great arguments for the perpetuation of the Canadian Broadcasting Corporation is that it can give service in areas where private radio stations cannot be built, and all that sort of thing, and that argument should be applied to television.

Of course I know they cannot do it at the moment. I am not so foolish as to believe that they can erect television stations all over this country. I know that it costs a tremendous amount of money to erect those stations. I also know that it costs a tremendous amount of money for any sponsor to be able to put a program over television. When it comes to any organization, such as a religious organization or a political organization, eventually wanting to get on television, what are they going to do for funds if they are not able to tell the people of Canada that their television broadcasts are supported by voluntary contributions? I do not suppose there is in Canada a religious organization that could afford to go on television and at the same time support the work that they are already obligated to support.

As for political parties, I should like to know what small party in Canada could afford to go on television in an election campaign. I am fairly sure that the party to which I belong could not afford it. Somebody behind me mentions free time. That is giving the wrong impression. There is some free time. But in political campaigns there are also paid political broadcasts, and you can get just about as many of them as your campaign funds will stand. What is going to happen when television comes along? How can a small party compete, for instance, with the Liberal party or the Conservative party? Imagine powerful political parties with, I was going to say, millions of dollars, but I will reduce it to thousands.

Mr. Knowles: Oh, no; you were right the first time.

Mr. Hansell: I think I was right the first time; but if I were called upon to prove it, of course I have not access to the necessary information. But if my judgment is correct, knowing the advertising that goes on in political campaigns I would suggest that they have millions. I was recently responsible for one political campaign; and the daily papers in that province in which the campaign was carried on were coming out every day with full pages of political advertising, particularly on behalf of the Liberal party.

Mr. Knowles: What good did it do them?

Mr. Hansell: I went around getting the price of advertising for full pages, and when I was told the price I looked at the fellow who gave me the information and said, "I don't talk that language". I am a poor man. I was tempted to put a little want ad. in the personal column suggesting—

An hon. Member: "Votes wanted".

Mr. Hansell: Yes, "votes wanted"; "Social Crediters appeal to you for your votes. This advertisement is in correct proportion to the size of our slush funds".

An hon. Member: You mean the agony column.

Mr. Hansell: But I did not even do that. I did not put one advertisement in the daily newspapers in British Columbia.

Mr. Thomas: It was not necessary, either.

Mr. Hansell: Some political advertisements were put in by political candidates but as far as I was concerned—

Mr. Speaker: Order. I think hon. members should discuss the subject matter of the motion which is before the house. It is broadcasting, not newspapers.

Mr. Hansell: Really, Mr. Speaker, I should not have made that mistake. I must be getting old and in my dotage. In my enthusiasm I had forgotten all about radio at the moment. But I was saying this. Imagine powerful political parties, with thousands or millions of dollars to spend, being the only political organizations that could use such a powerful medium as television. Imagine, if you please, a candidate in an election being the owner or manager of, or a large shareholder in, a television station. What an advantage he would have over the poor fellow who could not possibly afford a television broadcast.

Mr. Knowles: You had better work out some public policy on the matter.

Mr. Hansell: I do not know that I look forward to television in political broadcasting anyway, because after all you have to show yourself—

Mr. Knowles: Then you will have had it.

Mr. Hansell: The Liberal party has some pretty handsome gentlemen as their candidates—

Mr. Knowles: They used to be when they were young.

Mr. Hansell: They have a few handsome candidates in the constituency of Macleod. What chance would I have with my puss? I would be through, that is all there is to it.

An hon. Member: What about the Conservatives?

Mr. Hansell: I think the Conservatives have some pretty handsome gentlemen. Look at how the handsome Conservatives, for instance, could appeal to the women's vote. What chance will the Liberals have then? Why, those two parties could put on the squeeze play and where would we small fry be then?

Mr. Knowles: Whom are they going to squeeze?

Mr. Hansell: Well, Mr. Speaker, I suppose we should get through with this foolishness. However, it is not all foolishness. Some of the things I have been talking about are in reality pretty serious, and that is freedom of expression, freedom on behalf of the public to support that which they choose to support with their pocketbooks. Under the present system they are forced to support with their pocketbooks perhaps something they do not like, because we tax the people not only in radio licences but every time we have to subsidize the C.B.C., whether the people like it or not. The one thing that we can keep free is the people's freedom to support financially the things they want to support.

I say these things are serious to me. I think they are serious to the Canadian people. They are serious if they will think them through. May I say to the minister that we shall support his resolution setting up the committee. I can also say to him that he will find us co-operative in attempting to make suggestions and bring out the truth in order to give the Canadian people the best type of broadcasting and television that is possible in Canada.

Mr. Pierre Gauthier (Portneuf): Since I will be a member of the committee that is to be set up soon, and since I have been a member of radio committees since 1945, I think I may be permitted to say a few words on this matter. In the past we have had pretty interesting sessions of radio committees, during which I have sometimes criticized the C.B.C. In that criticism I have tried to be as constructive as possible and as pleasant as possible, but at the same time I have tried to speak my mind frankly, and I have tried to help not only the C.B.C. but the people of Canada at large.

I believe that with the good co-operation of the House of Commons and of the board of directors of the Canadian Broadcasting Corporation—I did not mention the co-operation of the minister because we have had that for a long time—we can arrive at such an achievement as will give the people of Canada almost complete satisfaction in the operation of this publicly-owned service.

This afternoon we heard some criticism of a couple of scripts put on by the C.B.C., especially in the west. The hon. member for Eglinton (Mr. Fleming) referred to a dialogue between a Mr. McGatt and an Eskimo. He concluded that this dialogue showed that the person who was carrying on the dialogue with the Eskimo was giving the impression that he was criticizing Christianity. I think the hon. member for Eglinton was a little lacking in a sense of humour. He did not quite catch the humour in the dialogue between the Eskimo and the other person.

He also criticized a script read by somebody who was talking about the present situation in Asia. The hon. member criticized that script because he said the speaker was putting the blame on the back and shoulders of the United States, saying that the United States was responsible for the present situation in Asia. May I tell my hon. friend that I recently read a book on the matter written

by a good Englishman from England. The whole book consisted of a series of statements having to do with the responsibility of Britain, the United States, France, and the Netherlands for the present situation in Asia. Because the writer said that, I do not believe we should be surprised if Russia takes advantage of the present situation, or think he was being vehemently critical especially of the United States. I believe the speaker on the radio was just stating facts, and that he was saying to his listeners that naturally the U.S.S.R., which is so close to that part of Asia, has been taking advantage of the present situation and of the mistakes made in the past by the powers that are foreign to Asia.

I want it perfectly understood that if I am supporting the Canadian Broadcasting Corporation, the setting up of this committee and most of the policies of the C.B.C., I am not opposing altogether at the same time all the requests and the points of view of the privately-owned stations. No, I think they have their own interests to take care of, their own interests to defend. I think their criticism is welcome provided that it is constructive, and is offered in a pleasant way. I do not oppose them altogether. I say that at the present time Canada needs this organization, the C.B.C., functioning as it does presently under the direction and administration of the board of directors.

Of course sometimes regulations have to be passed which do not please everyone. Scripts have been put on the air of which, at times, I have not approved. The hon. member for Eglinton (Mr. Fleming) and the hon. member for Lake Centre (Mr. Diefenbaker) will remember my criticism of the scripts dealing with Bertrand Russell and Anna Freud. I believe that took place either last year or the year before. I strongly opposed the presentation of the views held by those people. I would still oppose any such presentation; and every time a script of that kind is brought to my attention I shall oppose it. My criticism was that those scripts should not have been presented on the air, especially over the C.B.C. stations.

But if there have been mistakes made by the C.B.C., I am sure that mistakes have been made, too, by the privately-owned stations. We must not heap all the sins of the world on the shoulders of the directors of the publicly-owned organization. We must establish a dividing line of responsibility between the privately-owned and publicly-owned systems.

Mr. Fleming: I think my hon. friend would agree, though, that when an objectionable script is used, it is much more serious when it is put over the national network of the Canadian Broadcasting Corporation than if put out only over some private stations.

Mr. Gauthier (Portneuf): That would depend on certain things, of course. It would be most important that scripts of that kind should not be put on the air from a powerful privately-owned station serving, we will say, a million or half a million people. I would understand, of course, that if these objectionable lectures are put on the air over the national network they would reach more people than they would if put out over a privately-owned station, even though a big one.

I must repeat, however, that mistakes have not been made only on one side; the sins have not been committed only by the C.B.C. Sins and mistakes have been committed by the privately-owned stations, too; and my hon. friend knows that.

Although in the past I have criticized what has been done by the Canadian Broadcasting Corporation, I still maintain that we need it. It is important that the operations of the corporation shall continue. It is important that this publicly-owned system shall continue to give the good service it has given the people of Canada in the past. There can be no question about that.

Upon reading the Massey report I found three good reasons for supporting broadcasting by the C.B.C. One of these reasons is that Canada has a small and scattered population in a vast area. Second, this population is clustered along the rim of another country many times more populous and of far greater economic strength. The third reason is that the majority of Canadians share their mother tongue with that neighbour, and this leads to a peculiarly close and intimate relationship. We are close to the United States.

Let us suppose that the Canadian Broadcasting Corporation did not exist. My view is that if it were not in existence at this time it would have to be created at once, due to the vast financial strength of our neighbour to the south. If we did not have good programs put out by the C.B.C., neighbouring stations in the United States would draw Canadian listeners.

The C.B.C. is managed by human beings, and it cannot be perfect. At the same time, the privately-owned stations are in the same position; they are bound to make mistakes, too. But anyone who has a reasonable knowledge of radio broadcasting throughout the world will admit that the organization of the C.B.C., not only in Montreal but in the whole of Canada, is second to none in

the world. My hon. friends have seen that organization in Montreal, and they know that what I say it true.

We are a small population in a vast area. For example, one station in the city of New York can reach a population equal to that of Canada. Large amounts of money can flow into the purse of a privately-owned station in that city, because it will have great numbers of listeners, and the commercial material in the broadcasts can be made more interesting. Those who advertise over such a station realize that the more people who listen, the greater will be the results from advertising.

In Great Britain the British Broadcasting Corporation reaches a population of 50 million through the use of 975 miles of landline. In Canada we require 15,000 miles of telegraph and telephone lines to provide a national broadcasting service to our 14 million people. One can easily understand the difficulties which confronted the C.B.C. when it was created in 1936. Imagine the courage and far-sightedness that must have been exercised by the organizers of this publicly-owned organization. At first sight they had to realize that we must have some organization capable of covering large and far-removed areas. The privately-owned stations would not be interested because, from such areas, they could not derive enough income to cover their operational expenses.

I believe we can imagine what would have happened by taking the railways as an example. Perhaps the cheapest way of communication by rail between Montreal and Winnipeg could have been by way of Chicago. Not only would it have been cheaper; it would have been easier, and perhaps shorter. But it would not have been an all-Canadian railway system. To have that all-Canadian route we had to have help from public funds, as well as some kind of arrangement with the privately-owned system.

In radio the condition has been the same. We had to have the co-operation and help of both the publicly-owned and privately-owned systems in order to provide more facilities for those who wanted to go into this business. They needed sufficient facilities in order to start a very profitable business. That is what happened. No one can say that the C.B.C. has put privately-owned stations out of business since its inception. The number of privately-owned stations in Canada at the present time is proof that after all the regulations of the C.B.C. are not as stringent as some say they are and will continue to say they are.

There is another angle from which this problem of radio broadcasting can be approached, the angle concerning education, culture and even national unity. Because of our nearness to the United States we are exposed to and endangered by its powerful financial organization. We must realize that we have something to preserve in our culture which is superior because of its duality. We must not allow United States culture to get the best of our listeners in Canada. Our listeners should not be subjected to the expansion of United States culture and at the same time forget our Canadian culture which has been achieved through Providence and because of the courage and broad-mindedness of the two principal races who have lived in Canada since the opening up of this country. The Massey report has this to say at page 276:

> On the other hand, radio, as one of the most powerful means of education, may be regarded as a social influence too potent and too perilous to be ignored by the state which, in modern times, increasingly has assumed responsibility for the welfare of its citizens.

Those who invest money in broadcasting do not want to lose what they have invested. It is normal that they should want it to be a paying proposition, and there should be no quarrel about that. In order to make the greater profit they want to serve as many people as possible so that what they advertise will be most interesting. That is natural and normal. But who is to cover the vast areas with small populations if the C.B.C. is done away with? No one will cover those areas because it will not be a paying proposition to broadcast there. The C.B.C. has entered that field. I am sure that all right-thinking Canadians, those who do not want to offer futile criticism, will agree with me when I say that if the C.B.C. had not been created it would have to be created now because we need it in the worst way.

I admit that the publicly-owned system is supported by the taxpayers' money, and that that money should be spent according to their best wishes. The C.B.C. has made mistakes, and in the past I have offered criticism of its operations. I may have criticism to offer in the future. But I believe that in the long run the C.B.C. has a most commendable record as far as its work and achievements are concerned. I am sure the people of Canada at large support the work done by the C.B.C. for the Canadian people.

I am sure that I will not scandalize anyone when I say that I shall support the motion. I am not a socialist, nor do I believe that the more we have in the way of publicly-owned enterprise, the better it will be. I am in favour of private enterprise. But in certain fields, in this instance the broadcasting field,

I believe that a government-owned system is best. In that way the people are given the best programs possible.

The other day I read an article criticizing the new regulations about the use of Canadian talent. Canada is an ant-hill of talent and I think the more of this talent that is used, the better it will be for Canada and the more we will be doing to preserve our duality of culture.

I repeat that I will support the setting up of a committee. As far as my conscience allows me to do so, I will support the C.B.C. in the future. But I shall hold myself free, as we do in the Liberal party, to criticize when I think criticism should be made.

Mr. Casselman: Oh, oh.

Mr. Gauthier (Portneuf): My hon. friend says, "oh, oh." I understand that "oh, oh", because it comes from the whip of the Conservative party.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I am sure the house has listened with interest and in large measure with approval to the most thoughtful speech just delivered by the hon. member for Portneuf (Mr. Gauthier). One may disagree with some of his ideas, but at the same time I think we must admire an attitude which is so fair and reasonable in the discussion of this problem, as the hon. member has exhibited on other occasions in the past.

I intend to endeavour to follow the hon. member and deal with these matters in a dispassionate manner. As I listened to him concluding his remarks and making an appeal on behalf of freedom, I could not but agree when he referred to the difficulties Canada experiences by reason of being adjacent to a great nation to the south, with all its power and influence. I realized once more something of the challenge and the responsibility of maintaining in Canada that duality of culture to which he referred. I also accept and concur in the sentiments which he expressed.

Freedom is a subject that is always of interest. History shows that throughout the ages there has been a continuing contest between those who demand freedom of speech and those on the other hand who fear the use of that freedom. I am going to make some reference to freedom a little later on in connection with the C.B.C. I believe the time has come for a declaration additional to that made by the committee on a previous occasion in respect to that concept of freedom which is so much misunderstood today.

I want to make it clear, and as I said I am going to make reference to it later on, that in my opinion freedom in essence is the embodiment of the principle of the sacredness of the personality of the individual, and from that concept flows the idea of freedom of religion and of speech and of thought and association.

I think that periodically we have to make a declaration, each for himself, that freedom denies that we should be told what we are to read or hear or speak or write or think, except in so far as limitation of those rights is necessary in order to secure and assure the freedom of others. For if we ever come to the view that freedom consists in thinking what the majority believes or directs shall be thought, we shall have indeed defeated the concept for which democracy stands.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: There is a tendency today—and it grows and attacks governments, and it attacks individuals as well—for people to believe that for which they stand is right, and that for which those opposed stand is wrong.

When I say these things I do not say that the use of freedom should permit or allow its abuse, for after all freedom consists in limiting the right of each of us in the interests of and the assurance to all of us of a like degree of freedom. If we ever arrive at a point—an unthinkable position—where each of us has to think what the majority demands, then we have indeed defeated democracy.

I believe that freedom can only exist where there is freedom of the mind, and that freedom can withstand wrong and evil only so long as it recognizes the right of each human being to find truth for himself. Democracy will not survive unless it depends for its living vitality on the persuasiveness of argument rather than uniformity of thinking determined directly or indirectly by the state. Freedom can only survive if each of us has freedom to inquire and to discuss; but freedom does not cover the right to speak disloyally, blasphemously or slanderously.

From time to time we have to do our thinking regarding freedom. A committee such as the radio committee is one that I am always proud to serve on, for in that committee there is a freedom from partisanship that too often bedevils some of the other committees set up by the house. There is freedom to think there, to disagree, to argue, and to discuss; and all of us within the same party do not have to have the same viewpoint regarding freedom. After all, freedom knows no bounds of party.

I am one of those who fear for this nation if we ever arrive at a point when the governor or the board of governors of the C.B.C. are going to determine what I shall hear and when I shall hear it. I want to have the right to hear the exposition of views whether I agree with them or not. Providing that the delicacy of people is not shocked, or their religious sensibilities are not disturbed, I hope the day does not come in this nation when the C.B.C. will be in a position to determine for me what I shall hear over the air of this country. If we allow ourselves that luxury it will not be very long before the views expressed there will be the views of the government of the day, and the opportunity for public opinion to be created by hearing all sides will have been denied. I say that by way of opening.

I listened to the minister today with great interest. He mentioned that I tried to trick him by a question, but that was farthest from my mind. I was trying to get information about what was going to happen and what was in the mind of the minister. He dealt with his stepchild with geniality, and throughout with pride. He pointed out that the C.B.C. has many friends; that he numbered himself among that host of friends; that it has much on the credit side of the ledger, and we all admit that. But, sir, changes have taken place within the last year or two that have also achieved a very unusual number of debits on the other side. I think one of the reasons for that is the fact, pointed out by the hon. member for Eglinton (Mr. Fleming) this afternoon with his usual comprehensiveness in discussing the matter, that now that the C.B.C. is freed from any direct responsibility to parliament to secure funds, it has also freed itself from doing some things that parliament has a right to demand that it shall do.

I believe criticism has been on the increase during the last year, and it is not criticism restricted to private radio stations, or to the press, or to chambers of commerce to which the minister referred. Criticism is becoming more general than ever before, and I think the reason is that there has been a tendency —and I speak wishing that I did not have to say the things that I am about to say— for the C.B.C. to become more absolute in its domination over private stations. It has revealed an attitude of mind in the promulgation of, or at least in threatening to promulgate, new rules, and also in allowing some of its programs to develop a sort of idolatrous adulation of some of the things this government does.

That is a trend, and unless we bring it before parliament it will continue. I am not going to single out any particular person this evening in what I am saying. I believe that some recent broadcasts, and it has been particularly noticeable in the last six months, by some commentators bear all the evidence of an endeavour to build up the government and some of the ministers of the government in a manner that is detrimental to maintaining the non-political character of the C.B.C.

The news summaries by the C.B.C. are unbiased, as I see them. They are worth while, and they are listened to by the people of this nation. But some of the commentaries on the news by alleged independent commentators have shown that praise, however unjustified, of the government is not a disqualification of those who would make these commentaries and who do make them. The minister says there is no interference whatever by the government, and I will accept that statement. But there can be unconscious interference, which may be just as effective as conscious interference. I have noticed in the last year particularly that, with a number of exceptions, the commentaries on Sunday could not have been more effective as Liberal propaganda if the government had consciously intended that they should be such.

I believe in free speech, but freedom of speech does not consist in a national body or a national institution placing before the people, as unbiased commentaries, adulation amounting almost to idolatry, however commendable that may be to those in this country who enjoy power.

Mr. Pouliot: Constant criticism is another excess.

Mr. Diefenbaker: That is right. My hon. friend speaks with authority on that, and I agree with him entirely in that interruption. Now, returning once more to the regulations—

Mr. Pouliot: Hear, hear.

Mr. Diefenbaker: Today the regulations are out of date; they are obsolete. With few exceptions they go back to 1936, before the day of television. A little later on I am going to make a reference to television. I am all in favour of a Canadian national feeling. I am in favour of Canadian programs but, Mr. Speaker, the regulation that is about to be passed—if well-informed C.B.C. sources may be taken as correct in their assumption— that the Canadian content of programs must be increased by 48 per cent, indicates to me that the C.B.C., realizing that that cannot take place under present circumstances, is using its power against the tax-paying private station in a manner that is most unfair. How is a single station going to carry out a policy such as that?

Mr. McCann: Those are still matters for negotiation.

Mr. Diefenbaker: I appreciate that. I said it was in a period of suspended animation. But according to well-informed sources in the C.B.C., this is the regulation that is going into effect. However laudable the purpose may be of providing talent by edict, the result of this regulation, if carried into effect, will be unfair and unjust to the private stations of this country.

The minister says it is a matter of negotiation, and I agree. But I want to contribute my views at this moment so that, in so far as negotiation is concerned, my own views and those of many other Canadians on that subject will be known. I quote from the Vancouver *Sun*, which has never shown any particular desire to criticize this government. The editorial, appearing on October 31, 1952, read as follows:

> C.B.C. thwarts talent
>
> The eve of television development in Canada is a good time to expose the C.B.C.'s pretentious boast that it is the hothouse and forcing-bed of Canadian culture and entertainment talent.
>
> It is just the reverse.

Then it goes on to say:

> Private broadcasters say this situation effectively discourages the development of Canadian talent.
>
> "There is no competition for talent," they point out, "since it must either work within the terms established by the C.B.C. at C.B.C.'s prices or have no field in nation-wide Canadian broadcasting."

That is the view generally held.

Mr. Rowe: What paper was that?

Mr. Diefenbaker: That was the Vancouver *Sun*. I did not read all the editorial. It becomes more definite as it goes on, and uses some language that might not be regarded by the government as parliamentary. It does point out that a regulation such as that leads to other regulations, and such regulations will ultimately lead to the regimentation of private broadcasting stations in this country, if indeed the purpose of this regulation is not the achievement of that end.

Imagine what the newspapers in Canada would say if they were directed that they must publish editorials, 50 per cent of which dealt with Canadianism. How long would they stand regimentation such as that? When the C.B.C. was originally set up it was intended, in spite of what the government would assert today, that private stations could operate in co-operation with the C.B.C. In support of that statement I have the authoritative words of one of the first governors of this body. These regulations are not in effect yet, but my view is that they are dangerous in their potentialities. They would place the private stations in this country in the position of being pawns in the hands of the government competitors.

The minister endeavours to brush all this aside by saying the regulations are necessary. Certainly they are. Who argues against them? But regulations should be fair; they should be reasonable. If these regulations are brought into effect they will indeed provide an argument in support of those of us who believe that, as today there is a board of transport commissioners that determines disputes as between the government-owned railroad and the privately-owned railroad, so there should be a body similar in nature, if not the same body, in order to determine disputes as between the C.B.C. and the private stations. Last year the minister brought in legislation to provide for an appeal to the exchequer court.

Mr. Fleming: That was in 1951.

Mr. Diefenbaker: Yes; in 1951. That was a sop. What is being asked for is not a right of appeal such as that, commendable and effective as it may be within its narrow compass. I say that a regulation such as the one I have been discussing is strong support of the need for a semi-judicial body to control the C.B.C. and to prevent injustice and unfairness from being perpetrated upon the private stations by the C.B.C. acting as both litigant and judge, a position that is a denial of every principle of right and justice.

I now pass on to a question that has been dealt with at considerable length today, namely that of television. I listened to the minister, and I tried to be impressed by his argument. In Saskatchewan we find that we are to be the forgotten province. There is nothing for us. We are not even worthy of a dam. But now, in addition to that, we are to receive no consideration in connection with television. Private companies everywhere are willing to establish television.

Mr. McCann: Where in Saskatchewan?

Mr. Diefenbaker: I do not know where in Saskatchewan.

Mr. McCann: No; you do not know.

Mr. Diefenbaker: I do not know that. If the minister is able to answer that question, I will be able to ask him a couple of questions. When I tried to get answers today he said the questions had tricky propensities about them.

Mr. Rowe: He did not know; that is why he asked you.

Mr. Diefenbaker: As a matter of fact, the attitude of the government toward television has placed Canada farther back in television than any other nation similarly placed. I do

not understand this dog-in-the-manger attitude. If the government is not going ahead with television, why stop someone else from doing it? My hon. friend says: Will anybody establish a station in Saskatchewan? Give them a chance. Will the minister now rise and say that if any private company is prepared to establish a television station in Saskatchewan, it will be allowed to do so?

Mr. McCann: Not that I know of.

Mr. Diefenbaker: I am asking whether they will be allowed to do so.

Mr. Rowe: Not that he knows of, the minister says.

Mr. McCann: Mr. Speaker, as far as I know no applications have been received from private individuals in the province of Saskatchewan. Should an application come from somebody in the province of Saskatchewan, it will be given consideration.

Some hon. Members: Oh, oh.

Mr. McCann: There is nothing to laugh at about it. The hon. member asked for an answer and I am giving it. Should an application come from somebody in the province of Saskatchewan, it will be given consideration by the Department of Transport and by the governors of the Canadian Broadcasting Corporation.

An hon. Member: Pass the buck.

Mr. Rowe: The operators are not laughing.

Mr. Diefenbaker: Television applications have been receiving that same kind of consideration for the last two years. Thirty-four of them have been held in abeyance, some of them for two years; yet my hon. friend says the same consideration will be given to any applicant in the province of Saskatchewan.

Mr. Rowe: That will be 1965.

Mr. McCann: The hon. member will be gone by then.

Mr. Rowe: So will the minister. Don't worry about that. Your whole party will be gone.

Mr. McCann: The hon. member will still be driving race horses.

Mr. Rowe: No; they will still be on the payroll.

Mr. Fraser: This government have only horses.

Mr. Rowe: The minister will be able to ride one.

Mr. McCann: Don't you ever think it.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Speaker, these highly interesting interjections should be broadcast by the C.B.C.

Mr. McCann: The proceedings ought to be televised.

Mr. Diefenbaker: What I am trying to point out is this, subject to the assistance I am getting from both sides of the house. As television expands, radio recedes. Wherever television is allowed to establish itself, ordinary radio broadcasting in effect ceases.

Mr. McCann: Oh, no; that is not the experience.

Mr. Diefenbaker: Of course the minister speaks as an authority. I am just going to quote the former head of the National Broadcasting Company, Mr. Merlin H. Aylesworth. He said "Radio is doomed". A little later he said: "Radio is the only American industry that died in its infancy". He goes on to point out that when television finally is established, people cease to use the ordinary radio. What is our position today in Canada? We have promises for the future. The private broadcasting stations are placed in the position that they may establish places where the pickings are no good. That is, in effect, the policy.

Mr. Fleming: The minister nods his head to that statement.

Mr. Diefenbaker: The minister agrees. I am glad to have his approval of what I have stated. In effect the position is this. The C.B.C. exercises a selectivity in examining all parts of the country; and having decided that some time in the future they may do something—and they do not yet know when they are going to start in various provinces —they say: This area looks profitable, so we are going to set it aside as an area in which we may establish, but until we decide, no one in that area shall have television. To me, Mr. Speaker, that is a denial of every right of private enterprise.

Mr. Fulton: And of the Canadian people.

Mr. Diefenbaker: It is a denial of the right of the Canadian people to hear Canadian programs. Instead, they are being forced into the position mentioned by the hon. member for Portneuf (Mr. Gauthier) a moment ago, namely of being obliged to accept United States programs, to turn on their television sets to hear what the United States has to say rather than having a government or a broadcasting corporation that is prepared to go

ahead in Canada and assure Canadians of some of this Canadian unity of which we hear so much prated.

An hon. Member: Ten o'clock.

On motion of Mr. Diefenbaker the debate was adjourned.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow is private members' day.

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

HOUSE OF COMMONS

Wednesday, January 28, 1953

The house met at 2.30 p.m.

MAIN ESTIMATES, 1953-54

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1954, was presented by Hon. Douglas Abbott (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

LABOUR CONDITIONS

STATEMENT ON THREATENED RAILWAY STRIKE

Hon. Milton F. Gregg (Minister of Labour): In view of the importance of the matter, Mr. Speaker, may I make a brief statement to the house concerning the present railway dispute. Since the short statement I made a week ago today, hon. members will have seen reports in the press of the various meetings on the part of the negotiating committees in Montreal. They will have noted also from these reports that serious efforts were being made to find a solution to the problem. You will note that last night wires were sent to me from both groups of committees, outlining the discussions yesterday which indicated that some progress had been made but stating that they were not able to continue negotiations last night.

In acknowledging those wires this morning I decided that, rather than do so by sending a wire, I would telephone the leaders of the negotiating committees and ask them again if they could not find a solution by free collective bargaining. If I may be permitted, sir, I shall read to the house my summary, which I think is a fair one, of the message I conveyed, on the one hand to Mr. A. J. Kelly, who is associated with Mr. L. C. Malone on behalf of the men—Mr. Malone was near Mr. Kelly when I telephoned—and on the other hand to Mr. Donald Gordon, president of the Canadian National Railways, who was in consultation with Mr. W. A. Mather, president of the Canadian Pacific Railway, when I telephoned between 11 and 11.30 this morning. My summary is as follows:

Your wire of 27th January is acknowledged and I am making further reports on the whole matter to meeting of my colleagues this morning. In meantime a review of reports on your negotiations yesterday would indicate that a good deal of progress was made in finding common grounds in respect to matters other than wages. Before asking cabinet to consider what attitude the government should take, as Minister of Labour, I would like to feel that every means for free and unhampered negotiations have been considered and reconsidered. Will the heads of your committees please confer by telephone or otherwise as soon as possible and I shall telephone by 2 p.m. today to learn results. I am anxious that full advantage be taken of the resources of unhampered collective bargaining.

I did telephone Mr. Gordon and Mr. Kelly at about two p.m., Mr. Speaker. They told me that a meeting had been arranged for three o'clock this afternoon. I indicated to them that I should like to get in touch with them before the house closes at six o'clock so that we might expect to have a report on any progress that might be made.

QUESTIONS

NATIONAL DEFENCE—BRIGADE TRAINING AREA

Mr. Brooks:

1. What sites were inspected in connection with the proposed brigade training area for Canadian troops?
2. What are the names of the persons who made the inspections?
3. Has a report been made in each case to the Department of National Defence?
4. If so, will the report be made public?

Mr. Blanchette:

1. With the expansion of the Canadian army, since the beginning of hostilities in Korea in June, 1950, and the contribution of the Canadian forces for the defence of western Europe under the North Atlantic treaty, it has become increasingly necessary to have an area in Canada large enough to permit the training in active service operations of a brigade and even larger formations. If possible, this area should be on the Atlantic seaboard so that it could be used for mobilization, final training and embarkation of formations that might be sent overseas to take their place in the forces of the North Atlantic Treaty Organization to prevent or stop aggression. Such an area should be located in a place where the climate permits training all the year round and where the ground has the characteristics that might be found in western Europe, with roads and other physical features permitting the employment of armoured and other vehicles and artillery and other weapons. Using existing information and also the results of new examinations, sites were looked

at in various parts of Canada but particularly in the maritime provinces, including areas in the neighbourhood of Guysborough, Annapolis and Lunenburg in Nova Scotia, Tracadie, Sussex, Utopia and Gagetown in New Brunswick.

2. These inspections were made by officers of the Canadian army and officials of the Department of National Defence.

3 and 4. The reports which were made to the Department of National Defence were intended for the confidential advice and action which resulted in the selection of Camp Gagetown as having more of the desired characteristics than any other area and also as involving the displacement of less persons than any comparable area. In accordance with the established practice they will not be made public.

CANADIAN NATIONAL RAILWAYS—WOOD SOLD, MONCTON, N.B.

Mr. Robichaud:

1. How many car loads of scrap wood and/or firewood were sold or offered for sale, by the Canadian National Railways, at or in the vicinity of Moncton, New Brunswick, during the years 1951 and 1952?
2. Was such wood sold by tender or otherwise?
3. At what price per car load was such wood disposed of?

Mr. Benidickson:

The Canadian National Railways advise as follows:

1. Year 1951—81 cars.
   Year 1952—53 cars.
2. Sold by tender.
3. It is not the policy of the company to make public the amounts tendered for the purchase of company material sold as a result of calling for tenders.

NATIONAL DEFENCE—"CANADIAN ARMY JOURNAL"

Mr. Pearkes:

1. Does the Department of National Defence publish a booklet entitled *Canadian Army Journal*?
2. If so, who is the editor?
3. How many copies of each number are issued?
4. Are the copies paid for, or are they issued free?
5. If any copies are issued free, how many?
6. How many persons are employed in the preparation and issuance of this publication?
7. What is the cost, annually, of the *Canadian Army Journal*?
8. What were the numbers of each issue printed for the months of October 1952, November 1952, December 1952, and January 1953?

Mr. Blanchette:

1. Yes.

2. There is an editorial board of army officers. At present the editorial board consists of the director of military training, the director of administration, the director of operations and planning, and the director of public relations, army.

3. Each issue consists of 19,000 copies.

4 and 5. Each issue of the *Canadian Army Journal* is distributed free of charge to all active and reserve force officers; C.O.T.C. contingents; cadet services of Canada (officers and instructors); to unit libraries (active and reserve force); officers, N.C.O.'s and men's messes; secretaries of the dominion of Canada rifle association and provincial rifle associations; military institutes; corps associations; to public libraries to be available for officers of the supplementary reserve; external affairs (for high commissioners, embassies, legations etc.); war office, United Kingdom; United Kingdom army schools; editors of U.S. armed forces journals; to members of parliament on request and to members of the parliamentary press gallery.

6. Three.

7. The total annual cost of publishing the *Canadian Army Journal* is $35,000.

8. Although normally published monthly, a consolidated issue is made when it is not possible to publish monthly. The issues for October, November and December of 1952 were consolidated into one issue of which 19,000 copies were printed. The January, 1953, issue is now being prepared and will be issued in the same quantity.

CENTRAL MECHANIZATION DEPOT—TIRES

Mr. White (Middlesex East):

1. How many tires for cars are stored at central mechanization depot, London, Ontario, and when were these purchased, by years?
2. How many tires for trucks are stored at the above-mentioned depot and what years were these purchased, by years?
3. How many tires for other vehicles are stored at central mechanization depot, London, and when were these purchased, by years?

Mr. Blanchette:

1. The total number of tires for cars stored at central mechanization depot, London, as at 31 December, 1952, was 565. Of this total, 492 were new tires, 49 were reconditioned (these are issued before new tires), and 24 were non-serviceable returned by units to be reconditioned in the army tire plant. All the new tires were purchased during the calendar year 1952.

2. The total number of tires for trucks and vehicles using truck tires such as buses, station wagons, trailers, and artillery equipment stored at central mechanization depot, London, as at 31 December, 1952, was 20,130. Of this total, 15,944 were new, 3,900 reconditioned and 286 non-serviceable. Of the new

tires, 1,928 were purchased prior to 1949, 1,616 in 1949, 4,503 in 1950, 1,728 in 1951 and 6,169 in 1952.

3. The total number of tires for other vehicles stored at central mechanization depot, London, as at 31 December, 1952, was 4,021. Of this total, 3,620 were new, 342 reconditioned and 59 non-serviceable. Of the new tires, 568 were purchased prior to 1949, 410 in 1949, 1,647 in 1950, 256 in 1951 and 739 in 1952.

KOREAN FORCE PERSONNEL—EMBARKATION LEAVE

Mr. Shaw:

1. Were members of the Korean force stationed at Camp Borden in the month of December, 1952, granted Christmas or embarkation leave during December?

2. If so, was provision made by the Department of National Defence to pay the railway and berth fares between Camp Borden and the homes of said members?

3. Were service personnel granted such leave obliged to provide any undertaking respecting the repayment of sums provided to cover the cost of the berths and tickets?

4. If so, what was the nature of such undertakings?

Mr. Blanchette:

1. Personnel stationed at Camp Borden in the month of December, 1952, warned for duty in the Far East, were granted Christmas or New Year's leave, except for a small number who were not eligible for a variety of reasons (in detention, in hospital, etc.). A number of personnel combined their Christmas or New Year's leave with their embarkation leave.

2. Free transportation, meals and berths were provided for those who took embarkation leave. Free transportation is not provided for Christmas or New Year's leave. Personnel who did not take embarkation leave at Christmas or New Year's will be eligible for it at a later date.

3 and 4. No.

OIL EXPORT BY PIPE LINE

Mr. Goode:

1. Has any oil company asked permission to export oil by pipe line to the United States, west of the Rocky mountains?

2. If so, has permission been granted?

Mr. McIlraith:

1. No. An application has, however, been received for the construction of a pipe line for export purposes.

2. Answered by 1.

DEFENCE ORDERS, 1951-1952

Mr. Nowlan:

What was the total value, by provinces, of contracts and defence orders placed by the Canadian Commercial Corporation and/or the Department of Defence Production for each of the calendar years 1951 and 1952?

Mr. Dickey: Mr. Speaker, if I may, I should like to answer this question orally. At various times in the past questions such as this have been placed on the order paper by hon. members, and the minister, the former parliamentary assistant, and I have explained in this house why it is not feasible to table an answer. The most recent statement of this position was made by the minister on May 30, 1952, and appears at page 2777 of *Hansard* as follows:

> A question has been raised as to why we do not publish figures showing the value of projects placed in the various provinces. The simple answer which I have given on several occasions, is that we see no value in giving such figures inasmuch as they in no way reflect the impact of the defence program on the various sectors of the country. They do not take into account the large proportion of subcontracting which is inherent in this type of work. They make no allowance for the source of raw materials going into the contracts, and in many cases they are misleading because contracts placed at head offices in Ottawa or Montreal are often carried out in company plants which may be located as far away as the east coast or the west coast.

This explanation applies directly to the present question. I should also point out that full information regarding the letting of all contracts over $10,000 is made public by the publication every two weeks of complete lists of contracts awarded. This information is available to all hon. members.

AUDITOR GENERAL'S REPORT

Mr. Knowles:

1. Were any cabinet ministers, deputy ministers, government officials, or any other person or persons, permitted to see a copy of the 1952 report of the Auditor General, at any time prior to its being tabled in the House of Commons on Monday afternoon, January 12, 1953?

2. If so, what are the names of such persons and on whose authority were they permitted to see this report?

3. On what date or dates did any such persons see this report?

4. Were any cabinet ministers, deputy ministers, government officials, or any other persons, given a copy of the 1952 report of the Auditor General, or any digest or summary of its contents, at any time prior to its being tabled in the House of Commons on Monday afternoon, January 12, 1953?

5. If so, what are the names of such persons, and on whose authority were they given a copy of this report, or any such digest or summary?

6. On what date or dates were such persons given a copy of this report, or any such digest or summary?

Mr. St. Laurent: Mr. Speaker, this question relates to a document prepared by the Auditor General, who is not a government official but an officer of parliament. Since the report is printed under the authority of the Minister of Finance (Mr. Abbott) and is

tabled by that minister, it is of course obvious that it must have been seen by officers of his department before it was tabled in the house.

I do not think it would be appropriate for the government to address to the Auditor General the questions raised by the hon. member with respect to other departments. The Auditor General is always available to appear before the public accounts committee when his presence is desired, and it is open to any hon. member to address to him any question he may see fit to put to him directly.

However, with respect to this question the Auditor General, on his own initiative, has sent me a memorandum which I perhaps might read to the house in order to supplement this answer. It is as follows:

Ottawa, January 26, 1953

Memorandum to the Prime Minister:

Re Question No. 61 of Order Paper for January 26.

Mr. Knowles asks a series of questions with respect to the handling of copies and "any digest or summary" of the 1952 audit report to the House of Commons. The Minister of Finance is out of town today; therefore I address this memorandum to you.

The report is bound with volume I of the public accounts. Before the book was tabled on January 12, copies were delivered by the printing bureau to the Department of Finance, the audit office and, perhaps, to the joint parliamentary distribution branch. In addition the queen's printer distributes to the official mailing list and also stocks copies for sale. Consequently, a number of departments are involved.

Audit Office

The statutory direction is to make a report to the House of Commons. Consequently, all copies of the printed report which are delivered to the audit office are safekept by the assistant auditor general and myself until the Minister of Finance tables.

Annually, during the preparation of the report, numerous copies of the draft are in circulation throughout the audit office and, as a matter of established routine, supervisors of audit discuss some paragraphs with departmental and treasury officers in order to make certain that:

(a) the text is factually correct; and

(b) notice is being taken of all material facts.

I do not expect departments to concur in my views, but I endeavour to make certain that a fair statement of facts is given to the House of Commons. Paragraphs are brought to the notice of departments by use of clippings from either the draft text or printer's proofs. Whenever a supervisor thinks, after discussion, that a change in text should be considered, he discusses it with me and I decide.

Between August 25, 1952 (the date when I put a draft in circulation throughout the audit office) and October 27 (the date when the order to print was given) various paragraphs were brought to the notice of departmental and treasury officers. It was fortunate that we did so because, after the report was printed, a mistake was discovered by an officer of the Department of National Defence in paragraph 53 (page 23 of printed report). This paragraph deals with contributions to the services pension account and stated that a total of $7,225,000 was in arrears. The national defence officer pointed out that the correct figure was $1,225,000, and this had the effect of making certain audit comment inaccurate and also some observations in paragraph 61 (page 25), which refers to the same subject. The queen's printer co-operated by reprinting four pages and pasting them in the already bound books. As a result, corrected figures and comment appear in the report as tabled and distributed.

No one likes to refer to his mistakes, but in this instance I'm particularly appreciative of the action of the national defence officer because some paragraphs in the report may be regarded as critical of national defence methods and it would have been easy, by keeping silent, "to put me over the barrel" by reference to the mistake after the report was tabled.

If the decision is to give a composite answer to No. 61,—

That was the number it had the first time it appeared on the order paper.

—so far as the Auditor General is concerned, replies are:

1. No.

2 and 3. Answered by No. 1.

4. Selected paragraphs in draft form were brought to the notice of officers, of agriculture, crown assets disposal corporation, external affairs, finance, national defence, national gallery of Canada, national research council and the treasury between August 25 and October 27, 1952.

5. A verbal direction of the Auditor General to supervisors of audit is to make certain, through discussions with accounting and administrative officers, that facts are accurately and fairly stated, and for that purpose they may show drafts of selected paragraphs to treasury and/or departmental officers.

6. Answered by No. 4.

Mr. Knowles: May I ask a supplementary question? If the memorandum answers it the Prime Minister may draw that to my attention. Do I take it from the memorandum which the Prime Minister just read that, in the case of any department to which relevant paragraphs were referred, all of the paragraphs pertaining to that department were referred thereto?

Mr. St. Laurent: No; I take it that it is paragraphs about which information from the department as to the accuracy of factual statements is required which are shown to the audit officers or treasury officers of the department, and that if as a result of that the supervisor finds that any change might have to be made he discusses it with the Auditor General, who decides whether or not a change will be made.

IRRIGATION—SOUTH SASKATCHEWAN RIVER—INSTRUCTIONS TO P.F.R.A. OFFICIALS

Mr. Argue:

1. Did the Prime Minister, the Minister of Agriculture, or any other member or official of the government, either by letter, telegram or verbally, instruct officials of the P.F.R.A. not to appear before the royal commission on the South Saskatchewan river project?

2. If so, for what reason?

Mr. St. Laurent: I have the answer here. It is as follows:

1 and 2. The royal commission on the South Saskatchewan river development was established to determine "whether the economic and social returns to the Canadian people on the investment in the proposed South Saskatchewan river project (central Saskatchewan development) would be commensurate with the cost thereof" and "whether the said project represents the most profitable and desirable use which can be made of the physical resources involved".

In pursuing their inquiry, the commissioners were afforded by their terms of reference, as is usual in references of this kind, such assistance and co-operation from all the departments of the government as they thought they might need. That they received such assistance from the P.F.R.A. throughout the whole of their inquiry is evident from the numerous acknowledgments contained in their report. Hon. members can refer, for instance, to pages 9, 43 and 45, where the commissioners make it clear that their task would have been impossible without the material and researches of the P.F.R.A. and the help of P.F.R.A. officials.

This commission was established to get information which the government did not already have and to make recommendations to it. As the commissioners had access to all the records and technical advice of the P.F.R.A., it was not necessary for them to have formal appearances by federal officials at public hearings. The government shared this view and gave this opinion to the officials of the P.F.R.A.

In reaching that conclusion, the government had in mind the fact that it would not be fair to place civil servants in a false position by requiring them to appear publicly and express opinions on matters on which the Minister of Agriculture and the government as a whole had subsequently to reach decisions.

IRRIGATION—SOUTH SASKATCHEWAN RIVER—ACTIONS OF P.F.R.A. OFFICIALS

Mr. Argue:

1. Did P.F.R.A. officials leave Regina while the royal commission on the South Saskatchewan river project was in that city?

2. If so, for what reason and on whose instruction?

Mr. McCubbin:

1. No.

2. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEFENCE PRODUCTION—TRUCKS, TRACTORS AND PARTS

Mr. Noseworthy:

1. Did the Department of Defence Production call for tenders for a contract for trucks, tractors and automotive parts placed between November 17 and November 30, 1952 with the International Harvester Company?

2. Were companies submitting tenders required to tender on entire contract or on trucks, tractors and automotive spares, separately?

3. If so, how many trucks were purchased in this contract?

4. What firms were invited to tender on these trucks?

5. What firms submitted tenders for these trucks?

6. What was the price quoted for these trucks by each firm that submitted tenders?

7. Were any or all firms which submitted tenders asked to submit a second tender on these same trucks?

8. If so, for what reason?

9. Which of the firms submitting tenders were asked to submit tenders a second time?

10. What price was submitted in the second tender by each firm that tendered a second time on these trucks?

11. Was the contract let to the lowest bidder?

12. If not, what was the reason for rejecting the lowest tender in favour of a higher one?

ARMED FORCES—CONTRACTS FOR NECKTIES

Mr. Lennard:

1. How many contracts were let for neckties for the armed forces from January 1, 1950 to December 31, 1952?

2. How many neckties were contracted for and at what cost?

CF-100 AIRCRAFT

Mr. Fulton:

1. When was the decision first taken to design and produce an all-Canadian jet aircraft?

2. When was the first step taken by way of retaining engineers, designers, etc., or by way of entering into contract for the production of such aircraft?

3. What were the terms on which such services were retained and what were the terms of the contract?

4. When was the first CF-100 complete airframe produced?

5. How many CF-100 complete airframes have been produced to date?

6. How much money has been advanced to Avro Canada for the design and/or production of the CF-100 (if not possible to separate advances for CF-100 and for Orenda engines, what is the total for both)?

7. Have any requests been received from any other country or firm to build CF-100 airframes or complete aircraft under licence? If so, from whom?

8. Have any contracts allowing such construction under licence been awarded?

ORENDA JET ENGINE

Mr. Fulton:

1. When was the decision first taken to design and produce an all-Canadian jet engine?

2. When was the first step taken by way of retaining engineers, designers, etc., or by way of entering into contract for the production of such engines?
3. What were the terms on which such services were retained and what were the terms of the contract?
4. When was the first Orenda jet engine produced?
5. How many complete Orenda engines have been produced to date?
6. How much money has been advanced to Avro Canada for the design and/or production of the Orenda engine (if not possible to separate advances for CF-100 and for Orenda engines, what is the total for both)?
7. Have any requests been received from any other country or firm to build Orenda engines under licence? If so, from whom?
8. Have any contracts allowing such construction under licence been awarded?

CANADIAN JUNK COMPANY

Mr. Knowles:

1. Has the Canadian Junk Company obtained (a) shirts; (b) any other goods or supplies, from Canadian army sources, or from any government department or agency, at any time since January 1, 1948?
2. If so, what quantities of such supplies were obtained, and at what prices?

ARMED SERVICES—PURCHASES OF FACE CLOTHS, TOWELS, ETC.

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) face cloths; (b) towels; (c) tablecloths; (d) mattress covers, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF NYLON PARKAS, ETC.

Mr. Lennard:

What were the total purchases giving cost and quantities of (a) nylon parkas; (b) nylon wind pants; (c) combat smocks, for all branches of the armed services, during the period from January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF FOOTWEAR

Mr. Lennard:

What were the total purchases giving cost and quantity of (a) leather footwear; (b) rubber footwear; (c) other varieties of footwear, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF KIT BAGS

Mr. Lennard:

What were the total purchases giving cost and quantity of kit bags purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF SUITCASES AND TRUNKS

Mr. Lennard:

What were the total purchases giving cost and quantity of (a) suitcases; (b) trunks, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

[Mr. Fulton.]

ARMED SERVICES—PURCHASES OF RAINCOATS, ETC.

Mr. Lennard:

What were the total purchases giving cost and quantity of (a) men's raincoats; (b) men's waterproof coats; (c) men's greatcoats; (d) women's raincoats; (e) women's greatcoats; (f) women's jackets, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF HAVERSACKS

Mr. Lennard:

What were the total purchases giving cost and quantity of haversacks purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF BATTLEDRESS, UNDERWEAR, ETC.

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) battledress blouses; (b) battledress trousers; (c) summer trousers; (d) summer jackets; (e) socks; (f) handkerchiefs; (g) winter underwear; (h) summer underwear, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF BELTS

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) leather belts; (b) canvas belts; (c) canvas and leather belts, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF CARVING KNIVES AND FORKS

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) carving knives; (b) serving forks, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF BERETS, HATS AND CAPS

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) berets; (b) field service caps; (c) winter peaked caps; (d) women's berets; (e) women's hats; (f) cooks' caps; (g) anti-blast helmets, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF RUGS AND CARPETS

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) floor rugs; (b) underfelts for rugs; (c) carpets; (d) ozite rug cushions; (e) door mats, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF LAMPS

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) boudoir lamps; (b) bridge lamps; (c) table lamps; (d) trilight lamps, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—DEPOT STOCKS

Mr. Lennard:

What was the total cost of packaging and marking depot stocks for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF OVERALLS, GLOVES, ETC.

Mr. Lennard:

What were the total purchases, giving cost and quantity of (a) men's overalls; (b) women's coveralls; (c) mitts; (d) gloves, purchased for all branches of the armed services, during the period January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF RAZORS

Mr. Lennard:

What were, the total purchases, giving cost, quantities, varieties, and from whom purchased, of razors for all branches of the armed forces, during the period from January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF SHAVING BRUSHES

Mr. Lennard:

What were the total purchases, giving cost, quantities, and from whom purchased, of shaving brushes for all branches of the armed forces, during the period from January 1, 1950 to December 31, 1952?

ARMED SERVICES—PURCHASES OF DISHCLOTHS

Mr. Lennard:

What were the total purchases, giving cost, quantities and from whom purchased, of dishcloths for all branches of the armed forces, during the period from January 1, 1950 to December 31, 1952?

Mr. Dickey: With respect to questions Nos. 22 to 36 and 41 to 43 inclusive, on today's order paper, Mr. Speaker, may I say that by these questions the hon. member seeks information regarding total purchases of a wide variety of items. Collection and compilation of this information will entail a very large volume of clerical work both in Ottawa and at the district offices of the Department of Defence Production located in all parts of Canada. The starting date selected, January 1, 1950, antedates the organization of the department on April 1, 1951. It would be possible to secure the information requested for the period January 1, 1950, to April 1, 1951, from records of the Canadian Commercial Corporation. This would, however, require reference to records no longer in active use and involve very protracted delay in answering the questions. I have discussed the difficulties involved with the hon. member and he has agreed to amend all these questions by substituting the words "April 1, 1951" for the words "January 1, 1950" wherever they appear. Subject to this amendment, the questions may be passed as orders for returns and the answers will be brought down as promptly as can be arranged.

Mr. Speaker: Questions Nos. 22 to 36 inclusive and 41 to 43 inclusive, orders for returns in accordance with the statement made by the hon. member for Halifax (Mr. Dickey).

BEAUCE COUNTY LAWYERS AND NOTARIES—FEDERAL AGENTS

Mr. Poulin:

1. What are the names of the lawyers and notaries residing in the county of Beauce, who have acted as agents for the different departments or boards of the federal government for the fiscal years 1947-48, 1949, 1950, 1951 and 1952?

2. What amount of fees has been paid to each of them for each of the above-mentioned years and in connection with what services?

INQUIRY FOR RETURN

GOVERNMENT EMPLOYEES—RETIREMENT PROGRAMS—EMPLOYMENT PERIODS

Mr. Tustin: On December 10 a question in my name was made an order for return. I wonder whether I may have that information soon.

Mr. Bradley: I will make the necessary inquiries and get the information here as soon as possible.

MOTIONS FOR PAPERS

R.C.A.F. PERSONNEL BUTTONS

Mr. Lennard:

For a copy of all correspondence, quotations, and other documents, in connection with tenders A18-22A-40/1, August 29, 1951 and A18-22A-44, February 12, 1952, for Royal Canadian Air Force personnel buttons.

He said: Mr. Speaker, I have received the information I desire. I ask that this motion be dropped.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Dropped.

AUDITOR GENERAL—FINANCE—NATIONAL DEFENCE—CORRESPONDENCE

Mr. Macdonnell (Greenwood):

For a copy of all correspondence and recorded communications exchanged between the Auditor

General and the (a) Department of Finance; (b) Department of National Defence, from the first day of April, 1951, to date.

Mr. Abbott: Mr. Speaker, this is a motion which asks for the production of correspondence of the Auditor General with various departments of government. I have a note from the Auditor General in which he points out that it is the first time in his experience that correspondence of the Auditor General has been called for. The mover of the motion has indicated to my parliamentary assistant that the terms of the order are very much wider than he really desires; that it would call for a great deal of correspondence in which he is not especially interested. My understanding is that he is quite satisfied that the motion should be dropped and reworded.

Mr. Speaker: Dropped.

WOODFALLE SCHOOL, ROCKCLIFFE

Mr. Robichaud:

For a copy of all correspondence exchanged between the federal government, or any department thereof, and any person or persons, in connection with the teaching of religion and French to the French-speaking pupils at Woodfalle school, Royal Canadian Air Force station, Rockcliffe, Ontario.

FISHERIES

SUGGESTED INVESTIGATION OF ECONOMIC CONDITIONS IN FISHING INDUSTRY

Mr. A. W. Stuart (Charlotte) moved:

That, in the opinion of this house, the government should consider the advisability of investigating the economic condition of the fishing industry in Canada with a view to recommending legislation designed to render assistance to the industry comparable to the legislation already enacted to provide assistance for agriculture.

He said: Mr. Speaker, this resolution appeared on the order paper during the last session, but I did not have a chance to introduce it in the house during that time; consequently I took advantage of the fisheries estimates to go into the matter to some extent in June of last year. At that time in reply to the remarks I had made the then minister of fisheries (Mr. Mayhew) placed certain statements on *Hansard* which, in my opinion, did not in any way reply to the criticisms that I had placed before the house. I want to read a short portion of the remarks Mr. Mayhew made on June 19, 1952, as they appear at page 3435 of *Hansard:* This is what he had to say:

Well, I am not going to say that we are doing everything for the fishermen that we would like to do. I suppose the Minister of Agriculture would say the same about agriculture. But we should at least remember this. The total value of the fisheries to Canada last year, including Newfoundland, was $200 million. On the other hand, the total value of agriculture to Canada is $2 billion. There is a vast difference. If you compare the $10 million that we have—

That was the expenditure of the department. I continue:

—with the $60 million that agriculture has, you will see that it is not too far out of line . . . .

That statement would, in my opinion, indicate to the house that the Minister of Fisheries at that time was of the opinion that the assistance which was given agriculture was in no way much greater than the assistance which was given to the fishing industry. I explained that in my opinion there was a vast difference. I made a breakdown of the moneys that were voted for each department, which I mentioned on page 3426 of *Hansard* of that same day. As I say, I made a breakdown—perhaps estimated—of the moneys that were voted for the Department of Fisheries, and this is what I had to say:

The total vote for the fisheries department this year is nearly $10 million. If that figure is broken down it will be found that five-sixths of it or approximately $8,500,000 go to the employees of the department, leaving one-sixth, or $1,500,000, for other purposes connected with the industry; and five-sixths of this remainder, of $1,500,000 does not apply in any way to the province of New Brunswick. I refer to $700,000 for seal skins; $342,500 for bait service for Newfoundland; $240,000 for fisheries support board, Newfoundland, which leaves $160,000 for bounty payments for all the maritime provinces and $150,000 for the construction of draggers in all of the maritime provinces. With regard to the province of New Brunswick, my estimate would be that we would receive less than $100,000, including the bounty payments which cost the taxpayers of this country not one single penny.

In reply to a question which I placed on the order paper some time ago with regard to loans under the farm loan board and the fisheries loan board for the fiscal year ended March 31, 1952, I received the following reply on June 4 from the Minister of Finance: Under the farm loan board, $4,238,400; under fisheries, $800. In other words, for every single dollar fishermen were granted, agriculture was given $5,298.

Mr. Cruickshank: Why not?

Mr. Stuart (Charlotte):

This may be considered to be a fair distribution by some people in this country but I am sure the great majority of Canadians would not look upon it in that light.

I would want it distinctly understood that I do not favour a subsidy because, while in many cases subsidies are beneficial, the benefits go to the processors rather than to the primary producers. I mention that because I have seen it happen. But I do wish strongly to recommend floor prices—which have never applied in New Brunswick in respect of fish products. The only application was in wartime, and at that time instead of a floor it was a ceiling. That ceiling

was placed there to protect the canners, not to protect the primary producers.

I firmly believe that if that ceiling price could be maintained in a time of war—and it was maintained rigidly—then the fishermen have every right to expect the maintenance of a floor price under similar circumstances. Again I assert most emphatically that I do not believe in subsidizing the fishing industry, whereby processors or canners might take advantage of such subsidies, rather than have the benefits going to the primary producers.

I wish to place on record again some of the assistance that has been given to agriculture. When I spoke last June I did not place all these details on record, but I believe at this time I shall do so. I have here a table showing agricultural assistance in the post-war period. This is printed by the Department of Agriculture and gives the information to the end of March, 1949, the latest I could get. The table sets out subsidies and assistance to agriculture as follows:

Feeds: Freight assistance policy; Feed assistance—plans A and B; Coarse grains; Drawback payments; Processing feeds; Sugar beet pulp.

Fertilizer and lime: Fertilizer subventions and freight allowance; Lime.

Dairy products: Fluid and concentrated milk, butter and cheese; Cheese export; Cheese premium and factory subsidy.

Livestock and livestock products: Hog premiums; Hog freight assistance; Hog breeding; Bacon export; Freight assistance on feeder cattle and lambs; Sheep raising; Wool; Egg export.

Fruits and vegetables: Apples; Berries for jam; Vegetable canning crops; Potatoes; Potato storage warehouse construction; White and yellow-eye dried beans; White beans; Dehydration.

Seeds; Compensation to farmers for cultivation of milkweed; rebate on flax scutching machinery; the wheat acreage reduction program; the prairie farm income payments scheme; the Prairie Farm Assistance Act; cold storage warehouses; honey.

Then, in addition to all these I have put on record, I believe it was in 1951 that $65 million was paid by the Department of Agriculture to the Canadian wheat board for distribution among the farmers of western Canada. Then, there were payments made in connection with the Fraser valley flood which, again, amounted to a large sum of money.

Mr. Cruickshank: Oh, come off!

Mr. Stuart (Charlotte): Then, assistance was given in connection with wheat it was not possible to harvest in the fall of 1951. Let me say to the hon. member for Fraser Valley (Mr. Cruickshank), who has just interrupted, that I am not mentioning these things in any critical sense. I put the facts on record only so that hon. members may compare the assistance given to these two industries.

I am not making any criticism in respect to the assistance given in the Fraser valley or in any part of Canada. Indeed, I endorsed that assistance; I stood in the House of Commons and voted for it.

Then, assistance was given to the owners of cattle affected by the foot-and-mouth disease last year in Saskatchewan. We see that $20 million has been given to the apple growers of the Annapolis valley in Nova Scotia. I placed on record on the earlier occasion the fact that half a million dollars is given to the maple sugar producers of this country, by way of an annual grant.

I have read in the press recently an announcement that consideration is being given to a higher floor price for eggs. Again let me emphasize that I have not placed this list on record in any critical sense whatever. That assistance is being given, and it is beneficial to each and every one of us. I have voted that assistance of this kind should be given, and I would vote again to have it given, if I were called upon to do so.

I use these facts only for purposes of comparison, and to show, by the figures, that the fishermen of this country have received very little consideration, when compared with those who are engaged in agriculture. The only thing I ask is that they be considered in the same way.

Then, with regard to the problems which fishermen encounter from day to day in the province of New Brunswick, and particularly in my own county, I feel certain that a great percentage of those problems might be solved without the payment of a single dollar of subsidy, and without its costing this country one dollar.

Again in this connection I wish to quote from *Hansard* of June 19 where I explained the difficulties encountered by these fishermen in this day and age. Some of them are great problems, and mean the difference between keeping our young men at home, and in the industry, or having them go away to seek employment in other parts of Canada. That is the part that worries us most. We all like to keep our young men at home, in our own province or county.

On this earlier occasion, after I had set out some of the conditions, I said, as reported at page 3430 of *Hansard* of June 19, 1952:

I firmly believe that if anyone is prepared to criticize he should be in position at the same time to offer some constructive solution to the problem involved. For that reason I shall now suggest what in my opinion is the only course to follow in order to bring some semblance of stability to an industry which is now in a depressed condition and whose future is most gloomy indeed. In

doing so I am confident that the course I shall suggest will be endorsed by every sardine fisherman in southern New Brunswick and in the state of Maine.

These sardine fishermen on both sides of the border must insist that the fisheries departments of the United States and Canada, together with the canners in both countries, get together immediately so that an opportunity will be provided for representatives of these fishermen to present their views and work out a plan whereby fishermen would be given a fair return for that which they produce. This has been accomplished in the past during the world wars and it was the only period in fifty years when fisherman and canner alike knew where they were going.

A stable price would benefit not only the fishermen, but the canners as well, and many canners I am sure will agree with that statement. A stabilized price would not cost the taxpayers of either country a single dollar.

During the periods I have mentioned, when prices were regulated by government action, no subsidies were paid by the government of either country. For example, the margin to the ultimate consumer as between sardines at $10 per hogshead and $20 per hogshead would be approximately 50 cents per case of 100 cans, or one-half cent per can. That differential would appear to be insignificant in so far as the consumer is concerned. It is a fundamental principle from the standpoint of the producer that this differential may mean the difference between stability and prosperity, on the one hand, and depression and chaos on the other.

That reminds me of a movement which has recently taken place in Saint John and Charlotte counties. These fishermen are attempting to form some kind of union. The movement has been in evidence during the last four weeks. They believe that collectively they will be in a better position to approach the Department of Fisheries and the government for some assistance in the way of floor prices in order to stabilize the industry. In my opinion that idea just will not work and I should like to explain why I have formed that opinion.

The particular section from which I come depends upon United States markets for the sale of two-thirds of what we produce. If we on the Canadian side of the border have a set price and try to compel United States canners to pay that price, they may resent that action being taken here. We have seen years when they were able to buy their total requirements from their own waters. Sardines are caught in the state of Maine just the same as in the counties of Charlotte and Saint John. If we had an established price the fishermen in the state of Maine would take full advantage of that. If there was a plentiful supply of sardines they would go to the Maine canners and say, "We are prepared to sell our sardines cheaper than the price set by the Canadian government." That would completely deny us our United States market.

For that reason I want to refer to the paragraph which I just quoted from the speech I made last year, that the only way that this problem can ever be solved is internationally. Fishermen in the state of Maine are just as desirous as those in Canada that this action be taken. I want to impress upon the department and the government that this has been long delayed. I believe it is something that could be brought about without a great deal of trouble. The officials of the two fisheries departments could meet with the canning operators and discuss this problem and I believe firmly that the matter could be adjusted so that those who year after year have continued in this business without any stability whatever might know where they are going.

It is most discouraging to these producers to start up in the spring, put the last dollar they have back into the water and have to borrow some on which to go along to make preparations for another season, and then before those structures are completed to have the price of sardines drop by 50 per cent and in some cases a great deal more.

There is another problem facing the fishing industry to which I should like to refer, the cost of food servicing. It is quite apparent from my experience that those who have never produced a single ounce of wealth in this country expect unreasonable profits from that which is created by the sweat and labour of our primary producers. This applies to the agricultural as well as the fishing industries and to many other industries as well. I should like to refer to an article from the Lethbridge *Herald* which appeared in the Ottawa *Journal* of January 21, only a few days ago. This reads:

Egg Price Spread

Should it require 21 cents or 61¾ per cent to get a dozen grade A large eggs from the farmer producer to the city consumer? Egg prices have dropped lately and producers have been wondering. In Edmonton the producer gets 34 cents a dozen for grade A large, the wholesalers are charging 44 cents to retailers, and the retailers are charging 55 cents to consumers. We suppose if eggs dropped to 21 cents to consumers the producers would have to give them away in order that the costs of wholesaling and retailing might be paid. We're wondering if we're not going a little bit crazy in this matter of food servicing costs.

That is a matter that could be debated at some length. This problem is faced not only by the fishing industry but by the agricultural industry and many others. Only a few days ago I picked up a drug journal which indicated that the profits offered were nothing less than fabulous. Headlines guaranteed 42 per cent or 44 per cent profit on certain lines. The article I have just read indicates a 61¾ per cent mark-up on a dozen eggs from the time it leaves the producer until it is in

the hands of the consumer. There is something wrong somewhere when it costs so much to merchandise an article.

I want to emphasize that those who reap that benefit in nine cases out of ten have never produced an ounce of wealth from the day they were born. But they are ready to take out every single bit of profit in order to crowd that farmer-producer down as far as it is possible to get him. I mentioned this same condition when I spoke last year and perhaps I should quote a short portion of my speech as reported at page 3432 of *Hansard* of June 19, 1952. After making several suggestions as to how assistance might be given to the fisheries, I then had this to say:

> At the same time a full scale investigation into the spread between prices paid fishermen for groundfish such as cod, pollock and haddock and consumer prices might be in order. That might also apply to the prices consumers are obliged to pay in all parts of Canada for fish products. The great spread between the prices paid the producer and those paid by the consumer is something that should have been investigated long ago. The variation is too great between what the producer receives and the price that is being asked today of the consumers in this country. Such an investigation, I am sure, would bring to light a differential of most unfair proportions.

Two years ago fishermen in the county of Charlotte were catching pollock, one of the best fish we produce in Canada, and selling them for one-half cent per pound. The following winter I paid seventeen cents a pound for the finished article in my own home town. Many hon. members and many people may argue: If there is that great range of profit between the raw material and the finished article, why is it more fishermen do not finish the article themselves? I can say without any thought of contradiction that the great majority of these fishermen have not facilities for taking care of the fish. It means quite an investment in fish sheds, hogsheads, tons of salt and all that goes with it. In a great many cases you would have to wait at least three, four or five months before you received a single dollar because it would take that length of time. By the time the fish are split, salted and ready for sale three, four or five months have passed. It is utterly impossible for fishermen to go that length of time without any recompense. Again I want to make the point that in nine cases out of ten where I have asked for assistance to build fish houses by way of loans, in order that the fishermen might do the very thing I have described, the requests have been turned down completely. Year after year I have tried to have some provision made whereby fishermen could be given assistance in cases such as I have outlined, and in nine cases out of ten such requests have been ignored.

I might also add that as a rule it is the little fellow who has been turned down. If any assistance was given it was extended to those who perhaps might have been able to get by without it; but those who actually needed it, those who were producing, were the ones who did not receive the assistance to which I believe they are entitled. There are many fishing villages down there where after a bad storm the fishermen have lost their fish houses and every bit of gear they had by which to make a livelihood. When the storm was over it was all gone. Perhaps the boat was gone too. But there is no provision whereby I can come to the government and get any assistance. It is just not granted. If they go to a bank for money and have no security it is utterly impossible to get assistance there. That is the position in which they are placed. I want hon. members to compare that situation with what has happened when terrible things have occurred in the field of agriculture. In every case—and I support it 100 per cent—assistance has been given. A way has been found to get the farmers out of their trouble.

I am glad that a way has been found. I do not mean to be critical in any sense of the word, but I do feel that discrimination should not be shown. Look at what has been done for the gold mining industry. I have supported such action and have never criticized it. In every other industry where primary producers have been involved, with the exception of fishing, a way has been found to help them out of their difficulties. The fishing industry, however, has been ignored over the years. I have every hope that conditions may improve and that we will consider that fishermen should be treated in the same way as other primary producers.

I should like to refer briefly again to fishermen's insurance and to quote briefly from page 3427 of *Hansard* of June 19, 1952, when the estimates of the Department of Fisheries were before us and I spoke on this matter. On that occasion I said:

> During this session we have heard many suggestions with regard to some type of insurance to protect all types of fishing equipment. Before I get too far away from my main subject, I should like to suggest a way in which an insurance plan might be established, which would give the fishermen some protection, and at the same time the fishermen themselves would be contributing. In no way would this place any financial burden on the taxpayers of this country. I refer to the $160,000 which is paid in bounties and distributed among thousands of fishermen each year in payments ranging from $5 to $10, regulated of course by the number eligible for payment and by the number of applications received. This bounty is of little assistance to the industry, and although I

am not familiar with insurance rates I am convinced that $160,000 would pay the premium on an enormous amount of insurance and give those fishermen a protection which is considered very necessary in other industries but has never applied to the great part of the fisherman's property used in his hazardous calling.

It might be necessary for the government to supplement this payment by some amount, but I suggest it to the department for their consideration, and also to get the reaction from the fishermen themselves. I believe it would be a move in the right direction, and would be endorsed by the majority of the fishermen in the maritime provinces.

After I made that statement the hon. member for Cape Breton South (Mr. Gillis) spoke on the subject at some length and endorsed the statement I had made. Then the Hon. Mr. Mayhew, who was then minister of fisheries, replied, and his remarks can be found at page 3435 of *Hansard* of June 19, 1952. He had this to say:

The hon. member for Charlotte brought out the idea—and it was referred to by the hon. member for Cape Breton South—that the $160,000 that is paid as a bounty should be used for insurance purposes. In the hon. member's own riding there are 146 boat owners and 181 fishermen working on the boats, or a total of 327 men, in the county of Charlotte who are getting some of this money. In the whole of the maritime provinces there are 14,358 men. It would be very difficult to get all of these men to agree to cancel their right, which amounts to a little more than $6 apiece; it amounts to $9.55 each. That is what it amounted to last year.

The hon. member for Cape Breton South said that it was a variable amount. It is not exactly a variable amount; it is the interest on $4 million. That is the amount on which the interest is based. I think it would be difficult to get an agreement from the 14,358 fishermen that their money should be used to pay for insurance—

It would be very interesting to know whether, at the time the arrangement was made for bounty payments to fishermen, all the 14,000, if there were that many at that time in the maritime provinces, were interviewed collectively or otherwise to secure their permission to use this money for that purpose. From the minister's statement it would seem that it would be utterly impossible at the present time to use the money for any other purpose without the permission of the 14,000 fishermen in the maritime provinces. The amount is on the record for the little county of Charlotte from which I come, and in the particular year referred to by the then minister of fisheries the fishermen of that county received about $3,000. That sum would not pay for one small boat if it were lost tomorrow. Surely there must be some way that members of the House of Commons can amend the regulation so that the money can be used for insurance rather than for the purpose to which it is being put at the present time.

[Mr. Stuart (Charlotte).]

I agree that if the majority of the fishermen were opposed to the idea I would not support it myself. I offer it as a suggestion. It seems absurd to me to think for one minute that in order to amend the regulation each individual fisherman in the maritime provinces will have to be consulted. I believe that is the job of members of parliament and I believe we have every right to do so if we wish.

The men who follow this hazardous calling are proud, independent citizens seeking a livelihood from the harvests of the sea. They do not ask for nor accept assistance from any source if conditions are such that a fair return may result from their long hours of toil. Owing to the lack of organization, which has been attempted on many occasions without success, and the complete failure of the old law of supply and demand to solve the problem, I most sincerely appeal to the Department of Fisheries and the government to regard the problems of these rugged individuals in the same light and with the same sympathetic consideration and understanding that has been accorded other primary producers in Canada. Let us as Canadians make every effort to have these fishermen included within that group whose standard of living has been so greatly improved by the guidance and assistance of this federal organization.

Mr. A. M. Robichaud (Gloucester): Mr. Speaker, I could not allow this opportunity to pass without rising to reassert my entire support of the fishermen of the maritime provinces and particularly of my native county of Gloucester. I wish to congratulate my colleague, the hon. member for Charlotte (Mr. Stuart), on presenting this resolution to this house, and I must tell him at the outset that I am entirely in accord with it. It pleases me a great deal to be once in a while on the same side as the hon. member for Charlotte.

This resolution, Mr. Speaker, is of particular interest to my constituents and to me, for several reasons. First, it is of interest because of the importance of the fishing industry in our economy; second, because of the great losses suffered by the fishermen throughout the years in gear, vessels and men. Finally, it is of interest because this resolution is patterned, at least in its broader lines, on certain remarks and suggestions which I made in my maiden speech in this house on June 19 last, which remarks I repeated in my speech of December, 1952. I have always championed the cause of the fishermen. As I said in my maiden speech, I am a descendant of French Acadian fishermen, and I am proud of my

ancestry. I have always classified the fishing industry as one of the most important, if not the most important, in my native county of Gloucester.

In view of the new gigantic mining development in the vicinity of my town of Bathurst in the county of Gloucester, just lately come to light, I feel that in the very near future I may be able to stand in this house and mention the new Gloucester zinc, lead, copper and silver mines, not only as the most important industry in my constituency and my province of New Brunswick but as the biggest discovery in its line in the whole history of Canadian mining. Nevertheless, the fishing industry will continue to be a most vital cog in the economic gears of my county and province. I fully agree with the following paragraph in the last bulletin of the fisheries council of Canada, and I quote:

> Unlike most of our basic resources, our fisheries of sea, lake and stream are self-renewing, and will provide work, wealth and food in perpetuity if carefully managed and protected.

I have stated the main reason for my support of this resolution, and that is because of the importance of the industry in my constituency.

At this stage, may I be permitted to digress from my main thought by saying that when I came to this house last June I had a great preconceived admiration for the western members of this house, and I still entertain that same admiration. Why? Because, Mr. Speaker, long before coming into this house, through reading *Hansard* and by following the newspapers, I found that the western members, be they Conservative, Liberal, C.C.F. or Social Crediters, whenever there was a question of interest to the agricultural industry in the west, always jumped in the same dory and rowed together until they made port. I congratulate them on so doing. Although I am a young member here and a novice and perhaps should not make any suggestion, yet may I be permitted to suggest to the hon. members from the maritime provinces, notwithstanding their political affiliations—and I appeal also to the members from the Pacific coast without any reservation as to political affiliation—that they join together in presenting a united front so that eventually we may be able to obtain from this house some of the things the member for Charlotte has suggested. I repeat what I have said before, that the fishermen of the maritime provinces particularly are the forgotten children, the orphans in the family of Canadian confederation.

Now, Mr. Speaker, I have underlined the importance of the fishing industry in my constituency. I shall not repeat what I have said before along those lines. May I, however, quote from the best available information as to the value of our fleet. We have a fleet of new dragger type vessels operating from the county of Gloucester consisting of 31 class 50 feet and class 60 feet vessels, at an aggregate value of $682,000 and with a total complement of 133 sailors. We have also about 850 motorized and sail schooners and smaller boats, of an aggregate value of $212,000 with a total complement of 1,700 sailors. Hence, we have vessels to the value of almost $1 million, with a complement of 1,833 men employed as sailors or fishermen, operating from my county. This figure does not take into account the thousands and thousands of dollars invested by our fishermen in lobster traps, in our famous oyster fishery, in our nets for herring, salmon or mackerel; nor does the figure of 1,833 men employed as sailors take account of our young men employed in fishing our famous oyster farms and beds, in clam digging, or the hundreds of men and women employed in our fish processing plants such as our lobster canneries, our clam canneries and our freezers. These figures, and the addition I have made to them by referring to the rest of our fishing population, will give this house some idea of the importance of the industry to my county.

Passing now to a subject which has been touched upon by the member for Charlotte, I should like to mention the losses sustained by the fishermen of Gloucester county. I have mentioned this subject to the house whenever the opportunity arose. I am very pleased, Mr. Speaker, that the Minister of Fisheries (Mr. Sinclair) is in the house. I am pleased to say to this house that I have had nothing but co-operation from the minister and his department in the probably all too numerous demands I have addressed to him. It is impossible to give a complete picture of the losses sustained by our fishermen throughout the years. There were no statistics kept 25 or 30 years ago, whereas our fish inspectors and fish supervisors in my county are doing a good job in keeping track of everything now. I believe that we have now the best available information so far as all branches of our fisheries are concerned.

May I also say—and this may be of interest to the Minister of Fisheries (Mr. Sinclair) —that conditions have changed over the years. In former years, Mr. Speaker, all or practically all of our vessels, schooners and fishing boats, were owned by companies—such as Robin, Jones and Whitman or such as the Loggie companies—and the schooners and fishing boats were rented to our fishermen, fully equipped. They were rented to our fishermen for a certain annual rent or

consideration. Hence the companies were assuming all risk of loss. When there was a broken cable, a torn sail or even when there was a total loss, the whole thing was absorbed by the owners or the companies. But there has been a marked evolution in fisheries in our county.

Through the help of these co-operatives and, through strict economy on the part of our captains and of our sailors, I think I can safely say that today our fishermen own most if not all of the vessels and fishing gear in my county. We are now faced with the situation that when we have a loss, either minor or major, the captain or the ship owner must bear the loss. Someone may say: Why not carry insurance on those ships against marine risk and against fire risk? My reply would be that if you would just take the trouble to consult the table of standard rates of insurance on those ships, you would immediately conclude that our fishermen simply do not have the means to do so.

May I refer to some of the major losses in the Gloucester county fishing fleet since the turn of the century. In 1900 we had, in the gulf of St. Lawrence, this awful storm which caused the Gloucester county fishing fleet the loss of nine fishing schooners and of thirty-five fishermen who were drowned at sea. In 1914—the year of the outbreak of the first war—there was another terrific storm in the gulf; and again our Gloucester county fleet was penalized by the loss of six big schooners and twenty-two fishermen who lost their lives on that occasion. Of course in those days no claim was ever filed for loss because, I suppose, nobody knew how to do it. In any event, no claims were filed and consequently nothing was ever paid to these fishermen.

In 1921, Mr. Speaker, an incident occurred whilst I was attending college and during the summer holidays while I was myself on a schooner owned and captained by one of my late uncles. While we were attempting to make Shippigan gully during the height of a storm in June, I personally witnessed a spectacle which I shall never forget; I cannot forget it. At the very entrance of Shippigan gully, at the bar—that is the sand bar but it is called "the bar" in fishermen's language —I saw a St. Simon schooner hit the bar and break in two with the resulting loss of the lives of Captain Doiron and his crew of four.

Now that the Minister of Public Works (Mr. Fournier) is in the house I make to him a special appeal for the necessary credits so that the famous Shippigan gully will be properly dredged at the earliest possible opportunity. If the Minister of Public Works will only consult with the officials of his department, he will find that this important entrance in the northern part of the province—it is really the funnel or the link between the gulf and Chaleur bay—has not been touched by a dredge for at least thirty years.

Some hon. Members: Shame.

Mr. Robichaud: During the Christmas recess several captains of draggers were at my office and they said to me: Robichaud, you must come with me next summer—and I will—out of Shippigan in order to see for yourself the pitiful conditions with which we are faced. Some of these draggers—in fact most of them—oftentimes have to come in from a distance of eighty to ninety miles at sea, in the dark, during the thick of a storm and enter Shippigan gully, which is a narrow one. You may not appreciate as I do the danger with which such trips are fraught; but I am making to the Minister of Public Works a special appeal that this Shippigan gully matter be fully investigated and that the necessary dredging be done at once so that we shall not have any more casualties amongst our fishing fleet.

In the years 1949, 1950, 1951 and 1952, according to the best available information, I am told that our total losses in fishing gear, nets, lobster traps and so on amounted to $24,800. Last year our bay inshore fishermen suffered extensive damage to their fishing gear. This matter has been brought to the attention of the Department of Fisheries and I must thank the Minister of Fisheries for the ruling which has recently been made. I wish to refer to the damage caused by the dragging operations of our draggers in Chaleur bay to the fishing apparatus and gear owned by the inshore fishermen. Last year and the year before, Mr. Speaker, our inshore fishermen lost thousands and thousands of dollars in gear which was swept away when draggers came too near to shore and dragged everything away, including nets, trawls and lobster traps. In all fairness and justice it seems to me there should be some way or means of remunerating these inshore fishermen for these losses. They lay their trawls, set their nets, set their lobster traps, mark them with buoys and a post which is six or seven feet above water; and these draggers come along, drag all along the coast and carry everything away. Is this encouragement to these hardy toilers of the sea, our inshore fishermen?

At the end of December, 1952, or the beginning of January 1953, there was a big fire at the Blanchard machine shop in Le Bouthillier P.O., in the parish of Caraquet. This

machine shop is the only place to which our dragger captains and owners could bring their motors or the parts of their motors or dragging gear to be repaired during the lay-off in the winter season. I have here a list of losses sustained by our dragger owners and captains on account of that fire and amounting to over $20,000. The lowest figure on this list is $150 and they go as high, for one dragger captain, as $4,000, which means that he lost his diesel motor completely. Again it may be said: Why do the captains not insure against fire? Again I repeat—and I know whereof I speak—that our captains simply cannot afford to pay the standard rates of fire insurance against their boats, vessels and gear.

I should like to cite another concrete and specific instance of loss which our fishermen sustained and for which they were never compensated. Some two years ago, during the height of a storm in Chaleur bay a big boom of pulpwood was broken by the storm. Hundreds and hundreds of cords of pulpwood came ashore. The nets of our salmon fishermen in Petit Rocher, Beresford and Nigadoo suffered damages amounting to thousands and thousands of dollars. Their claims were submitted to the pulp mill companies who owned the pulpwood, but of course they put up their hands and pleaded that it was an act of God and that was the end of it.

I submit that facts like these, matters like these, damages such as I have related to this house, which are not the result of my imagination, but concrete, specific cases which have occurred in my own county, should be considered by the Department of Fisheries whenever any agency is set up such as has been suggested by the hon. member for Charlotte.

Hon. gentlemen will recall that last year I rose in my place in this house as a green member—I am still quite green, but not as green as I was then—and I put a question to the then minister of fisheries, the Hon. Mr. Mayhew, and asked him whether any claims had been filed, or whether there was any possibility of our fishermen getting any remuneration for the losses they had suffered through storms. Reference to *Hansard* will reveal that the answer given to me by the then minister of fisheries was to the effect that no claims had been filed. I now bring to your attention, Mr. Speaker, and particularly to the attention of the Minister of Fisheries, a particular instance of a claim, and a big one, which was filed in due form in 1950. Of course that was before the present Minister of Fisheries occupied his position. It was filed by the fishermen of Northumberland county, which is our neighbouring county. I am sorry that the hon. member representing Northumberland, N.B. (Mr. McWilliam) is not in his seat today, because I feel sure he would corroborate what I am about to say. The total losses suffered by the smelt fishermen of the county of Northumberland during December, 1949, and January, 1950, amounted to the gigantic sum of $81,256. This was substantiated in toto, Mr. Speaker, by a detailed statement of fifteen pages containing the names and addresses of all the fishermen who had suffered damage; the number of nets, the size of nets, the number of leaders lost and the total of each individual claim were submitted to the Department of Fisheries in the summer of 1950. A suggestion was also made at that time by the central committee of the Northumberland county fishermen that a special commission should be set up by the Department of Fisheries consisting of a chairman appointed by the federal government, with representation on the commission from the Department of Fisheries, and one member to be appointed by the fishermen themselves.

The purpose of the proposed commission was to inquire into the then existing conditions of the fishing industry of the neighbouring county of Northumberland. It was also further suggested that one of the commission's first duties would be to inquire into and decide whether the enormous losses suffered by the Northumberland county smelt fishermen during the season just past were the normal hazards of the trade, or whether they might be considered in the nature of an act of God. My information is that the proposed commission was never set up; nor were the Northumberland smelt fishermen ever compensated for their great losses of smelt fishing equipment in December 1949 and January 1950.

The attitude—and this is what I want to bring to the attention of the house—the attitude of the Department of Fisheries at that time was one of the so common pass-the-buck attitudes which I have had occasion to observe on the part of the government during the few short months that I have been here. The decision rendered in the late summer of 1950 by the Department of Fisheries was to the effect that whilst the losses were unquestionably serious to the fishermen, the said losses—and mark these words—the said losses do not appear to have reached the extent which could be classified as a calamity of national significance, and that any compensation which might be paid would fall into the category of relief which, generally speaking,

according to the ruling we received from the Department of Fisheries, was purely a provincial responsibility.

I was very much surprised to see that word "relief" in the departmental ruling, because I thought that this government looked upon the word "relief" with holy horror. But what astounds me, Mr. Speaker, is that no consideration is given by the departmental authorities to claims submitted for losses by fishermen unless and until they reach the stage of a calamity of national significance.

As the hon. member for Charlotte (Mr. Stuart) has suggested, why should we not be put on a par with the western farmers? He has voted in favour of assistance to the western farmers, and if I have the opportunity to vote to assist the western farmer I shall do so. But we are simply asking this house to give our fishermen fair, just and equitable treatment, and not make fish of one and flesh of another.

May I now deal with the question of more recent losses. I am glad that my colleague, the hon. member for Kent, N.B. (Mr. Leger), is in his seat. May I refer to the *Evangeline*, our French newspaper of Moncton, N.B., of January 20. I find an article relating to the losses of the smelt fishermen of Buctouche in the county of my hon. friend. According to this article the smelt fishermen of Buctouche bay have lost more than 60 nets carried away by the ice through Northumberland strait. The minimum loss, according to the article in the newspaper, is set at $6,000, with a possibility of reaching a maximum of $10,000. These figures, Mr. Speaker, are in addition to the losses of the catch before the nets can be replaced.

I have attempted to give concrete evidence, specific instances, of losses suffered by our fishermen by storms and moving ice. Ice does not give any advance notice before it moves. These losses have been suffered by our fishermen not only of the county of Gloucester, but in the neighbouring county of Northumberland and some in the sister county of Kent.

I now come to the resolution itself. My analysis of this resolution, which I heartily support, reveals that its object is to obtain legislation to render to the fishing industry assistance comparable to the legislation already enacted in favour of agriculture, and to attain this end some investigation must be carried out, as the resolution suggests, and it ought to be conducted into the economic conditions of our fishing industry. In my opinion the investigation mentioned in the resolution should not be carried out by a commission or a fact-finding board or a board of inquiry, call it what you may, composed solely of departmental employees.

I have nothing but the greatest respect and admiration for the biologists and the technologists of the Department of Fisheries. They really have performed, in the field of fishing, feats which border on the miraculous. As concrete evidence of my assertion may I refer to an article in the same French newspaper of New Brunswick, the *Evangeline*. I do not know whether any of the hon. gentlemen have read this article. I find in this French newspaper of New Brunswick, in its issue of January 20, 1953, an article which deals with the treatment of trout with aureomycin. This article reveals that recently the piscicultural establishment at Jasper national park has produced a more vigorous trout by adding to its ordinary food this magic drug known as aureomycin. It is reported that during thirteen weeks in the Jasper national park fish hatchery small quantities of aureomycin were given to some 3,000 small, young trout. After that period of time the young trout which had been thus treated were, on the average—and this is very interesting—a quarter of an inch longer than those which had been provided only with their customary ration. Moreover, according to the article, the normal death or loss rate among the latter group was three times greater than among the young trout whose food had been treated with small doses of aureomycin. This is one more instance of the miraculous feats performed in the study of fish by biologists and technologists in the Department of Fisheries.

In my submission, however, in order to conduct a thorough and practical investigation into the economic difficulties of the fishing industry of Canada, the Department of Fisheries would be well advised to have representatives of fish dealers and some practical and experienced fishermen serving on a board of inquiry or commission, to work alongside departmental experts. Great care should also be exercised in order that every important branch of the fishing industry in Canada may be represented, and properly represented, on such a fact-finding body. I contend that the cod fishermen or the salmon fishermen can give no practical assistance to the sardine fishermen, and vice versa.

Granted, therefore, that every important branch of the industry be properly represented, with due regard to the particular problems attendant upon each major producing area in our dominion, I feel we would at last have a real, practical and sensible board of inquiry or investigation.

On such a board, experts in biology and technology would have the opportunity to marry their knowledge with the practical experience and common-sense suggestions offered by men in the trade. Under these conditions I believe the Canadian fishing industry could naturally and logically expect great results.

Commissions composed of so-called experts and technicians, however high and numerous their qualifications may have been, have been touring Canada and will no doubt continue to do so at great expense to the Canadian taxpayer, and have always reminded me—and this long before I came to this House of Commons—of a famous saying of one of our French fabulists: "La montagne qui enfante une souris." When stated in English this means: "A mountain brings forth a mouse." I suggest therefore to the Department of Fisheries that should it give favourable consideration to this resolution—and I hope it will—it should bear in mind that the fishermen of Canada will expect concrete results and not mere empty propositions; practical effectiveness rather than theoretical deductions in the study of their problems. Perhaps when I say this I should confine my observations to the fishermen of Gloucester, and I shall do so. They will not accept any vague proposition.

The fishermen have many problems. In order to reach this goal the Department of Fisheries should therefore make a special effort to democratize any board of inquiry or commission it may consider setting up. By bringing such board or commission closer to the fishermen of Canada it would assure a report which would be really beneficial to the fishing industry throughout the country.

In order to be logical, after having offered certain suggestions perhaps I should go further—dealing always with the resolution—and amplify some of the nice points my good friend from Charlotte (Mr. Stuart) has underlined. What are the remedies for the pitiful situation of the fishermen about whom my hon. friend has spoken—as a matter of fact, the fishermen of Canada?

There may be many remedies, but I have a few I should like to suggest to the house and bring to the attention particularly of the Minister of Fisheries (Mr. Sinclair) and his department. In my maiden speech in the House of Commons on June 19, 1952, I said:

I therefore feel justified in asking the Minister of Fisheries to give immediate attention to the matter, with a view to setting up,—and this is the important point—a system of federal aid to compensate our fishermen for the heavy losses they sustain through storms.

Since there is no hesitation in granting aid to farmers and stock-breeders during epidemics, why not give assistance to the fishermen who are constantly victims of the worst plague there is—and I know something about it—storms at sea.

Again, speaking in the house on December 1 last I made this suggestion, as it is reported at pages 230 and 231 of *Hansard*:

Before concluding my remarks on the question of fisheries, may I again stress the necessity of providing fishermen with some form of remuneration for losses sustained through storms. I am informed that a plan is now under advisement by the Department of Fisheries to establish a permanent program of insurance as well as loans—interest free, I hope—to storm-stricken fishermen. May I advocate the elaboration of a system following the broad outline of the Prairie Farm Assistance Act which has proved to be highly beneficial to western farmers. I am also in favour of extending the plan now under study so as to embrace some kind of cheap contributory insurance not alone on the fishing equipment but on the lives of our fishermen as well. After all, there is in my submission no more hazardous occupation than that of those hardy and courageous toilers of the sea who risk everything and face the ever-recurring dangers of storm and sea in order to develop the fishing grounds of Canada's Atlantic and Pacific coasts, which are recognized as the richest in the world. Hence special consideration should be given by our government to the welfare of Canada's fishermen; and a protective scheme of assistance and insurance is indeed long past due.

May I now refer to a system of social security which, I am told, has been in vogue in France for a number of years, a system I would advise the Department of Fisheries to study with great care. This system of social security in France is concerned not only with fishermen but also covers the young men in the merchant marine of that country.

After I had spoken in the house in June of last year a friend of mine, Mr. H. M. Rive from Caraquet, N.B., a man who, because of having been brought up in the fishing industry, is an expert in fisheries questions, a man who has specialized in that industry during his lifetime, wrote an article in our weekly paper in Gloucester, the Gloucester *Northern Light* in which he referred to the system in France which affords social security to the fishermen and merchant marine of that country. This article dated July 7, 1952, states—

The Acting Speaker (Mr. Robinson): Order. I must call the hon. member's attention to the fact that his time has expired.

Mr. Robichaud: I would be only a few more minutes.

Some hon. Members: Go ahead.

Mr. Robichaud: Thank you.

Referring to this system of social security in France the article states:

The first condition is that the prospective candidate for either career must have attended school until the age of 13. On applying, his name is

entered in a register opposite a number, which will ensure his identity for life, after he has served a month's apprenticeship.

At the age of 50, he is entitled to an annual pension, provided he has fished or followed the sea for 300 months. At his death, his wife continues to receive half the pension, and the children under 16, an allowance of so much a day, as long as the mother remains a widow.

Provision is made also for what is called proportional indemnity in case of death before 50, and for a provident indemnity in cases of sickness or injury, while engaged in his particular work. His personal belongings, also, are insured against loss by fire, shipwreck or any other cause, incidental to his occupation.

I hope the Department of Fisheries will study this scheme of social security for fishermen which has been in force for a number of years in France and which I am told is working very well.

Before resuming my seat I should like to direct attention to a recent threat to our famous lobster industry. A British United Press dispatch to *Evangeline*, our daily French newspaper published in Moncton, New Brunswick, states that a bill is to be introduced very soon in the Massachusetts state legislature to compel exporters of fresh lobster meat to pasteurize their product rather than to preserve it by refrigeration as has heretofore been the practice. I submit to the Department of Fisheries that most of our fresh lobster meat exporters will have to go out of business if that bill goes through.

This article of January 21 states that this same bill provides for the exclusion of Canadian fresh and frozen lobster from the Boston market, which is the most profitable market we have. I have a question on the order paper about this, but I am bringing this up at this time as I believe it is of urgent importance. I ask the Minister of Fisheries (Mr. Sinclair) to tell the house what steps have been taken to block this measure.

A similar bill was presented some years ago in the same state legislature. The fishermen of the maritime provinces organized themselves without any help from Ottawa. They hired a lawyer in Boston and the bill was blocked, but we cannot be hiring Boston lawyers every day. I think this is a matter for the attention of the federal government.

I thank the house for letting me have a few minutes extra. I am heartily in accord with the resolution submitted by the hon. member for Charlotte (Mr. Stuart). I hope the principles that we have underlined and the concrete suggestions which we have submitted to the Department of Fisheries will receive favourable attention. I know the Minister of Fisheries has the development, the expansion and the future of the industry at heart.

[Mr. Robichaud.]

Mr. William Bryce (Selkirk): Mr. Speaker, I support the resolution moved by the hon. member for Charlotte (Mr. Stuart). I am sorry that my deskmate, the hon. member for Cape Breton South (Mr. Gillis), is not here because he is a member of the fisheries committee and has always been most prominent in taking up cudgels on behalf of the fishermen. I congratulate the hon. member for Charlotte upon bringing forward this resolution, which reads:

That, in the opinion of the house, the government should consider the advisability of investigating the economic condition of the fishing industry in Canada with a view to recommending legislation designed to render assistance to the industry comparable to the legislation already enacted to provide assistance for agriculture.

I want to assure the hon. member and other fishermen in the house that I am in favour of their getting as much assistance as agriculture gets. I do not think it should be only one way. This investigation would not be ahead of time because I know of many fishermen who are going broke today. The two previous members who spoke are fishermen, and I have not their experience. I have gone out on the herring fishing boats on the river Clyde as a boy, and I have been out on the lakes of Manitoba once or twice, but that does not justify me in saying that I am a fisherman.

I wonder if the hon. member who introduced this resolution intended it to apply to the prairie fisheries. As the hon. gentleman knows, fishing on the prairies is under the provincial governments but the problems there are the same. When the Minister of Fisheries (Mr. Sinclair) speaks in the debate I hope he will clear up that point. I should like to see the prairie fisheries included in the investigation suggested by the hon. member.

There may be some hon. members who have never been west and who may be interested in knowing that in Manitoba we have lakes over 400 miles long, where the storms are bigger than any I have seen on the Atlantic. The fishermen out there are facing difficult times. They are getting a very low price for their fish, and I think it only right and proper that some form of floor or guaranteed price be provided as is done in the case of agricultural products, so they may obtain a fair return for the services they render.

Someone may say that if a floor price is set there will be too many fishermen. That cannot take place on the lakes in Manitoba because the catch is regulated; there can be only so many fish caught each year. During the war we had a guaranteed and set price and the fishermen got a square deal, the

processors got a square deal and the consumers got a square deal. I do not think there would be any harm in bringing something like that back again.

I think the fishermen could help themselves a great deal by co-operative methods. I have suggested to former ministers of fisheries that in the grant made for co-operative education something should be provided for the co-operative education of the fishermen of the prairie provinces. Up to the present time I have never been able to get anything for Manitoba or the other two prairie provinces.

The new Minister of Fisheries (Mr. Sinclair) is progressive, and a go-ahead type. I will not praise him any more because, knowing his past history, I do not think it would agree with him. However, I hope that one of these days he will give some consideration to seeing that we get a few dollars out of what is set aside for co-operative education.

I do not want to take up a lot of time. I support the motion, and if anything is done I want it to apply to prairie fishing. I should like to see guaranteed prices. As I have already said, the catch is regulated so that there would not be too many fish caught, or too many people getting rich quickly.

We have terrific storms on lake Winnipeg and lake Manitoba. The fishermen there also lose their boats and gear and run into all kinds of difficulty. We subsidize people who dig for gold. I think people who produce food are more entitled to assistance than people who dig for gold. I want to endorse the resolution again, and when the minister replies I hope he will tell me whether the resolution can apply to prairie conditions.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I should like to say a word or two on this matter. I had not intended to speak, but the mover of the resolution brought the Fraser valley into the debate. As you will notice, Mr. Speaker, I do not have a prepared speech as did all others with the exception of the last speaker. Probably one reason I have not is that I understood the Prime Minister (Mr. St. Laurent) to intimate yesterday that the date of the election has not yet been set. Therefore, unlike the two speakers from the maritimes, I did not come down to the house with a prepared speech in an endeavour to convince the electors of my riding that I should be returned.

Apparently one can talk about anything on this resolution, Mr. Speaker, and I want to congratulate the hon. member for Hamilton West (Mrs. Fairclough) who looks as young today as she did thirty years ago when I first knew her.

We in the province of British Columbia are proud and privileged to support this resolution because we are confident that it, or any other resolution having to do with the betterment of the conditions of fishermen, will be made effective under the present Minister of Fisheries (Mr. Sinclair). My main reason for speaking is that the mover of the resolution, who comes from a very small riding in the maritimes, brought up the same matter last year, and whether or not he meant it he implied that agriculture was enjoying a preferred position. I defy him or any other member to point to any member representing an agricultural riding in any province of Canada who has not supported the fishermen on every occasion.

An hon. Member: Keep on doing so.

Mr. Cruickshank: We intend to. Incidentally, more salmon are spawned in my riding than in any other two ridings combined.

Some hon. Members: Oh, oh.

Mr. Cruickshank: Do you want to dispute that? Did you not know it? Did you ever hear of the famous Fraser river?

Mr. Robichaud: I have seen it. That is more than I can say of you with respect to the baie de Chaleur.

Mr. Cruickshank: I want to point out that we produce more fish in the province of British Columbia than any other five provinces in the Dominion of Canada combined, and the Fraser river is the spawning ground of the salmon. Maybe you did not know that. When these members come here and say that those interested in agriculture are opposing them, or intimate that they are—

An hon. Member: No, no.

Mr. Cruickshank: All right; you will have an opportunity to make your speech. I will make my own and I will not take 55 or 60 minutes to make a re-election speech in order to say that a rowboat must be replaced if it turns over and goes down. I want to tell you, Mr. Speaker, that when a farmer loses his manure spreader by fire he replaces it himself. He does not come running to the government to have it replaced. The hon. member for Charlotte (Mr. Stuart) implied that this parliament gave $10 million—I do not know whether he quoted the figure—at the time of the Fraser valley floods. Apparently the hon. member for Charlotte has never seen the great Pacific where the real fish come from that are shipped to the old country and elsewhere and not to the House of Commons.

Mr. Riley: You never tasted good fish.

Mr. Cruickshank: Since I came here I have seen a lot of them.

Mr. Riley: We have some poor ones.

Mr. Cruickshank: Another member from the maritimes is heard from. In particular, when I hear them talking about lobster—

Mr. Riley: The best salmon in the world are in my riding.

Mr. Cruickshank: I came here in 1940 before my friend was old enough to be nominated, and at that time we spent $54,000 to advertise lobster in an endeavour to clear the market. If you go downtown in Ottawa now or at any time of the year and try to buy a lobster the price is so high that if I were selling them I would be able to retire and give pensions not only to the members of the house but to the page boys as well.

Mr. Sinclair: Are you against good prices for lobster fishermen?

Mr. Cruickshank: I am in favour of all fishermen getting their just deserts, and we expect that from the minister, coming as he does from the province of British Columbia.

Mr. Riley: That is what the maritime members have been asking for.

Mr. Cruickshank: Now, Mr. Speaker—

Mr. Knowles: What is this, a party caucus?

Mr. Cruickshank: The junior member over here, with all the geniality—

Mr. Riley: Who loves you.

Mr. Cruickshank: —of his race and name wants to assist me, but the Minister of Fisheries happens to come not from Ireland but from Scotland, and for that reason the fishermen will get due pay for everything they produce. I want to point out something to the hon. member for Charlotte who is a very good friend of mine. I think "Charlotte" is right although I get confused because there is another Charlotte around this town whom I do not like.

The Acting Speaker (Mr. Robinson): Order.

Mr. Cruickshank: I have said nothing wrong, Mr. Speaker. The hon. member said that this money was spent in the Fraser valley for agriculture. I want to point out to the hon. member that the third city of Canada, the gateway to our greatest potential market, Asia, is served by two transcontinental railways whose lines were out of use for a month and a half because of the floods. The hon. member said the money was spent to aid the Fraser valley farmers. Nonsense. It is the same kind of nonsense that was uttered by my friend over here who talked about a little boat turning over and wanting the government to insure it.

Mr. Robichaud: I should like to have seen you in that little boat.

[Mr. Cruickshank.]

Mr. Cruickshank: Maybe you would like to see me in it, but I have no intention of getting into your little boat.

Mr. Robichaud: I should like to see you seasick.

Mr. Cruickshank: Mr. Speaker—

Mr. Riley: He is always seasick.

Mr. Cruickshank: My friend may want to see me seasick, but let me assure him that I was never so near to being seasick as when I was listening to him.

Mr. Robichaud: You were the other night.

Mr. Cruickshank: Leave me alone, because I am not going to take this stuff. I know I speak for every farmer member in the house when I say they believe that the fishermen should be assisted. As I understand it, the hon. member for Charlotte wants floor prices. Is that not correct? Is that not the meaning of your resolution? I understand he wants equal treatment with agriculture and everybody else. He wants floor prices.

Mr. Stuart (Charlotte): Mr. Speaker, all I asked for was that the same consideration be given those engaged in the fishing industry that is given to those engaged in agriculture.

Mr. Cruickshank: I want to assure you, Mr. Speaker, and the hon. member that I am entirely in accord with that and will be glad to vote for it. However, I also want to point out that apparently my friend does not believe in his own motion in its entirety. He spoke of sardines, and I understand sardines require oil. My friend the hon. member for Charlotte (Mr. Stuart) believes we should bring in cheap oil, of all things, in which to preserve sardines. I want to quote a rather interesting article from the Ottawa *Journal*. It is a good newspaper if you cannot get any other. In the *Journal* of Monday, January 26, 1953, I find this headline, "Oleo, dynamite, in car bring arrest." The article reads in part:

> Police held today a 46-year old man after his car was found here Saturday containing margarine, dynamite and detonating caps.

What a combination! You do not need to put a dynamite cap in margarine to make you sick. Here is my friend, right here in this house, stating that we should bring in this cheap oil in which to preserve this idiotic little fish called the sardine.

Mr. Stuart (Charlotte): Will my hon. friend permit a question?

Mr. Cruickshank: Yes.

Mr. Stuart (Charlotte): Does the hon. member believe in high tariffs or free trade?

Mr. Knowles: Most Liberals do.

Mr. Cruickshank: The hon. member for Fraser Valley believes in free trade all across the board, not just one way. I have heard the hon. member speaking here—but I shall be called to order if I mention these frigidaires. I do want to say this. I have almost as many fishermen in my riding as he has in his. I am quite sure I have more than my hon. friend across the way.

An hon. Member: You are wrong.

Mr. Cruickshank: We will count them. Certainly, the fishermen in my riding show better judgment in their selection of a representative at Ottawa. I want to say that the fishermen in my riding believe that your fishermen and my fishermen should have equal rights or assistance, whether by law, by subsidy or any other way, but we do not want you to go around saying the farmer is getting any more benefits than the fisherman.

Mr. Robert Fair (Battle River): It is not my intention to take very much time this afternoon, but on behalf of the Social Credit party I want to support in its entirety the resolution that has been moved by the hon. member for Charlotte (Mr. Stuart). I am greatly surprised that a similar resolution was not moved many years ago. Being one of those who has lived practically all his life on the land, I am not in a position to go into details in connection with the fishing industry. But having crossed the Atlantic some years ago in one of the largest ships afloat at that time, I recall the tossing around we got. Having visited Halifax last summer in company with many other members of the house, I had the opportunity of taking a short ride around the harbour. I can understand what these fishermen have gone through when storms overtook them during the course of their daily work.

I know, too, what we prairie farmers have suffered in the past because of conditions over which we had no control, and over which we still have no control. I appreciate, as do all farmers, the assistance given us under P.F.A. and similar legislation. I do not want anyone to feel that we want that kind of legislation enacted for farmers alone. I believe the fishermen are also entitled to similar legislation. We have an entirely different set-up, of course. Having had the opportunity of seeing the fishermen at work unloading their boats, and of visiting a fish plant in Halifax, personally I would not change my place as a farmer with any fisherman along the coast. I expect the same conditions obtain on the west coast.

Rather than take up a lot of time, as I know there are many members who are interested in fishing and who want to speak on this resolution, I shall take my seat now and assure the hon. member for Charlotte of my wholehearted support for this resolution.

Mr. J. L. Gibson (Comox-Alberni): I, too, should like to join the other members, Mr. Speaker, in offering my congratulations to the hon. member for Charlotte (Mr. Stuart). It is gratifying to see that this session we have had two afternoons devoted to a debate on fisheries, whereas normally we just get one day to discuss the affairs of perhaps the most important department of government. It is certainly the most important department to those of us who live in the maritime provinces. We have a great many debates on agriculture around this house, but very few on fisheries. I sometimes think that perhaps the same consideration is not given to fisheries that is given to agriculture by members of the cabinet. I should like to point out to the members of the cabinet that the Lord was fairer. They will recall the miracle of the loaves and fishes, and I am quite sure they will recall that He treated the loaves and fishes in the same way. Perhaps that is a good thought for the cabinet to keep in the back of their minds.

Fishermen are very independent people, and I believe we are quite proud of that fact. Perhaps they have been too independent in the past. It seems to me that they do not realize the truth of the old adage that the squeaking wheel gets the grease. Certainly since I came down here in 1945 I have heard a great many squeaks from members representing agricultural ridings, and perhaps not enough from those representing the fishermen.

Now we have a new Minister of Fisheries (Mr. Sinclair). I have the greatest confidence in him, and believe he will bring a new approach to this problem. I might just point out to him—I do not know whether or not there is anything indicative about this—that both he and the Minister of Agriculture (Mr. Gardiner) are fortunate enough to have been named "Jimmy". Whether or not there is any connotation to that word that might have something to do with prying money loose from the treasury board, I hope he works it to the greatest possible extent.

At one time you and I, Mr. Speaker, had the good fortune to visit a prairie town in company with our good friend the hon. member for Moose Jaw (Mr. Thatcher). There was not as much activity in that town as there is in the average fishing town. Fishermen always seem to have to rush around in order to make a living. On the occasion

when we went to this prairie town, it reminded us of Goldsmith's deserted village. We ran into our good guide and mentor who said, "I know where the boys will be; they will be down at the curling rink." We went down there because it was the only place in town completely surrounded by expensive automobiles. We went in there and met some charming people, friends of his, and also some Liberals, I think. There was a furious argument going on as to the relative merits of Cadillacs, Buicks and Chrysler Imperials, and whether they were good for hunting ducks or touring Mexico. I said to the hon. member for Moose Jaw, "Where is your statue?" He said, "There was no war around here to which we have to raise a statue." I said, "No, but surely you must have a statue of the Minister of Agriculture; surely these people would not be so unappreciative that they would not have a statue of him." He said, "No, they have not." I can tell the Minister of Fisheries that if he does one quarter as much for the fishermen as the Minister of Agriculture has done for the farmers, he will live forever in bronze in every small fishing village.

Let us take a look at pork, for instance. We got into a little trouble in the pork business a short time ago because of the United States embargo. This cabinet acted with furious speed, I thought with almost unseemly haste. They acted, first of all, to ensure that the producer of pork got a profit. That was fine, and I was glad to hear it. They made sure that the packer who canned that pork got a profit. Then the government turned around and sold that pork to the Canadian consumer at less than cost. Well, perhaps one could argue that was a virtuous thing for them to do.

What happened when the salmon canners got into the same position? We were cut out of the United Kingdom market by a virtual embargo because of the United Kingdom's lack of dollars. The government did not step in in any way to try to stabilize that market and to prevent the distress selling that actually took place. As a result one of our largest fishery co-operatives in British Columbia went bankrupt. That was an unfortunate circumstance for a large number of fishermen there. I may say that every large fishing company in British Columbia lost large sums of money this past year. After all, when a company out there loses—as many individual companies have—more than a million dollars this year, the government actually loses 52 per cent of the amount in taxes. I do not have any trouble in pointing that fact out to my friend the Minister of National Revenue (Mr. McCann). For a small sum of money this government could have put stability into that market and could have prevented the distress selling which actually occurred and which created these losses as a result of which I say the treasury here lost a great deal of revenue. I think we could have been wiser in the way we handled that matter last year. With the representations that my good friend the Minister of Fisheries (Mr. Sinclair) will be able to make to the cabinet in the future, I hope such things will not happen again.

The fishing industry does not want to be spoon-fed. Those engaged in that industry are extremely independent and highly capable. But I should like to see the same consideration given to them that is given to the agricultural industry. In British Columbia we had a surplus of 500,000 cases of fish—I refer to canned salmon, the best in the world—and it is lying there as a threat to the market. In the agricultural industry, however, the Canadian government have stepped in and I believe they are now the proud possessors and owners of about 40 million pounds of butter in this country. Just the other day I read in the paper—whether I have inferred too much from what I saw there I do not know—that the Minister of Agriculture (Mr. Gardiner) suggested that this 40 million pounds of butter be kept from the market in order to stabilize the price of butter.

Mr. Cruickshank: Is that not good business?

Mr. Gibson: I think probably it is excellent business; but I certainly wish the government of Canada owned that 40 million pounds of canned salmon in British Columbia.

Mr. Cruickshank: Get after the minister.

Mr. Gibson: Then in case the price dropped to a disastrous level for the Canadian producer the government may say: We will hold our salmon off the market. If it is a good thing in the one case it is certainly good in the other.

I was only trying to make a practical approach. I am not trying to disparage anything that has been done for the agricultural industry or to say that it should not have been done. But at the same time I should like us to assist, if we can, the Minister of Fisheries in bringing before his colleagues the way the members from the fishery ridings feel with regard to matters of this kind.

There are many aspects of the fishing industry, and they cannot all be discussed in one short debate like this one. I apologize for having taken up this much time when I know there are many other hon. members who wish to speak. Now that we have this new Minister of Fisheries I am sure the

government will listen to his representations and do everything they possibly can for the fishing industry.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to begin by complimenting the hon. member for Charlotte (Mr. Stuart) on bringing this resolution before the house. Since practically all my constituents are fishermen, I should be remiss in my duty if I did not rise in my place to support this resolution and endorse the constructive suggestions put forth by my colleagues.

I am sure my constituents would also wish me to take advantage of this opportunity to express to the Minister of Fisheries (Mr. Sinclair), to his colleagues in the cabinet and to the officials of his department their sincere gratitude for what has already been done in their interest. Without the deficiency payments on shore-cured fish in 1951 and 1952 the families of many of our shore fishermen would have had to go without sufficient food, clothing and fuel, and the fishermen themselves would have been forced to leave the fishing industry altogether in order to seek more remunerative employment.

The bounty of $165 per ton for certain classes of fishing boats is enabling many fishermen to provide themselves with suitable vessels essential to the use of modern methods of fish production. The success of the experiments with the long-liners which were carried out by the federal government has caught the interest and the imagination of our Newfoundland fishermen, many of whom are now providing themselves with this type of boat.

The discovery of rich, new inshore fishing grounds by the fisheries research department has opened up easily accessible sources of supply hitherto unknown. This has been an added incentive to encourage fishermen to modernize their fishing methods. The research department is at present engaged in an experiment with the artificial drying of light salted fish. If a satisfactory solution to this problem can be found, and one that is economically feasible, it will be one of the greatest single contributions ever made to the welfare of our Newfoundland fishermen. Along with these there have been many lesser achievements such as the expansion of the patrol service and particularly the protection of the inland fisheries by increasing the staff of river guardians.

I think it is right to mention these things because human memory is short and we are prone to forget our benefits and remember only our needs. Though much has already been done, a great deal more remains to be achieved. We need far more river guardians not only in my own riding but throughout the whole province of Newfoundland, particularly along the salmon rivers of Labrador. Our patrol service needs to be improved by the use of faster and more suitable vessels.

We also need to concentrate more on fishery research and conservation. We need to locate and learn about the movements of the large schools of herring which frequent the shores of our province and which we know to exist. The herring industry alone is capable of being developed so that its value will exceed that of all other fish caught in Newfoundland. We need more experiments with the curing of different varieties of fish, with the canning of fish and also with fancy cured fish. This will take considerable time and will require a great deal of money; but these projects are primarily a federal responsibility.

We need also more research with respect to salt-cured fish. What is a light salted fish? What is a heavy salted fish? Fishermen in various parts of Newfoundland have different answers to this question. The answer is all the more complicated because the salinity of the salt used is hardly ever uniform, even for the same grade of salt. Definite answers to these questions must be provided before standardization of quality can take place.

I am one of those who believe there will always be a market for salt-cured fish. People who live in hot climates lose a great deal of salt from their bodies due to excessive perspiration. This salt is essential to health and must be replaced. The cheapest source for replacement is salt-cured fish in which the salt is combined with high-grade protein which is also an essential to health.

Some economists advise us that the salt cod market is not economical and that we should get out of it as quickly as possible. The answer is that we cannot get out of it even if we want to; but I do not think we should want to because those people in hot countries need fish for food; and if they are poor people, they need cheap fish. I think we should put people's needs first. I believe that if we have the courage and the faith to put the motive of feeding hungry people ahead of the profit motive, then other factors will come into play which the economist does not ordinarily take into consideration and which will automatically provide the profits which the producers need.

I do hope also that some means will be found to provide unemployment insurance for our fishermen. A beginning in this direction could be made by making eligible those fishermen who are employed on monthly wages.

Above all, Mr. Speaker, we need a better deal for the primary producers. The farmers and the fishermen have very much in common; they are both primary producers. These primary producers are the people who run the risks, take all the hazards and endure all the hardships. Very often they risk their lives and everything they own. We want them to have as good a deal as possible. Scientific research can do much to minimize the hardship and reduce the risk, but before the fishermen can be in a position to take advantage of those benefits some capital assistance will be necessary.

The fishing industry is the second largest food producing industry in Canada, and though its market value is much smaller than the value of farm products, yet it is of sufficient importance to justify the consideration that has been requested for it today.

Again I should like to express my gratitude to the hon. member for Charlotte (Mr. Stuart) for providing this opportunity to debate this resolution and to focus upon the fishing industry the attention that its importance warrants.

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, it is with pleasure that I rise to support this motion by the hon. member for Charlotte, because the underlying ideas that are expressed in it have already been mentioned by me in this house on more than one occasion. I too am of the opinion that this government should pass legislation designed to render assistance to the fishing industry comparable to the legislation already enacted to provide assistance for agriculture. I too think it would be a good idea to establish a board to investigate the economic condition of the fishing industry of Canada with a view to making the necessary recommendations.

I am particularly interested in problems concerning fishermen because, as I discovered recently when looking up some figures, although my county is not by any means the largest in the province, it is the county in the province of Quebec which has the most fishermen. All problems that concern fishermen are therefore of vital importance to my constituents.

The fishing industry is also very important to Canada, as I had occasion to point out in a speech I made in the house on April 27, 1950, as reported at page 1940 of *Hansard*, as follows:

> The fishing industry in our country has become very important indeed, particularly in view of the fact that we now have Newfoundland as our tenth province. At least seven provinces are vitally interested in the fishing industry. There are, of course, Newfoundland, the three maritime provinces, Quebec, also Manitoba because of the extensive fishing industry in lake Winnipeg—

I was interested to hear some of the members from the west support this resolution this afternoon because of that. I continue:

> —and the province of British Columbia. When seven provinces in our country are vitally interested in the fishing industry, then I say the government ought to do as much for that industry, on a smaller scale of course, as it does for agriculture. The organizations having to do and dealing with fishing ought to have the same scope of action as those which deal with agriculture.

We find in the statutes of 1944-1945 the Agricultural Prices Support Act. In the same statutes we find the Fisheries Prices Support Act. These two statutes are practically identical.

But in 1947 the government decided they had not gone far enough so far as agriculture was concerned, and in that year they passed the Agricultural Products Act, the long title of which is "An act to provide for the sale and export of agricultural products". In my speech on April 27, 1950, I said with reference to the Agricultural Products Act:

> This statute gives the minister, subject to regulations made by the governor in council, authority to—
>
> (a) sell or export agricultural products to the government of any country or any agency thereof pursuant to any agreement made by the government of Canada with the government of such country or with such agency and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or export of agricultural products as he considers necessary or desirable;
>
> (b) on behalf of the government of any country or any agency thereof purchase or negotiate contracts for the purchase of agricultural products;

Paragraph (c) does not apply. I continue:

> (d) enter into contracts for the storing or processing of agricultural products.

Under that legislation some very good contracts have been made with other countries for the sale of agricultural products, but I believe we should have something similar for fisheries. If we had it I say it would help in finding markets for fishery products of the country, and I am sure it would help in overcoming the low prices that fishermen now get for their output.

As has been said already in this debate, Mr. Speaker, the fishermen are primary producers, and as such they should be placed on the same footing, I respectfully submit, as other primary producers.

Amongst the fishermen in my county, and not alone amongst the fishermen—I find in talking with hon. members who have fishermen in their counties and who represent fishing constituencies that the same feeling exists amongst them—there is the feeling

that our fishermen are not getting a fair deal. There is a feeling that they are not getting a fair share of social security. Everybody in this country, apart from the fishermen, seems to be getting a fair share of social security. The fishermen feel that they have been let down so far as that is concerned. For instance, they have no catch insurance. Catch insurance is something that would be parallel to the Prairie Farm Assistance Act. It should be possible to start up some kind of contributory insurance that would permit the fishermen to insure themselves against a bad catch in any year in the same way that the prairie farmers can insure themselves against a bad crop.

It is very difficult for fishermen to get equipment insurance; they can hardly get it at all. I have made a suggestion to the Department of Fisheries, and I think it is a good one. There is a fishermen's bounty that is given to the fishermen every year under an old treaty with the United States, under which they get a bounty of about $9 a year. That $9 a year is of no practical use, but it could be used, along with a government contribution, as a contribution towards fishermen's equipment insurance.

We have a prices support board. When I came into the house as a new member, representing a fishermen's constituency, I had great faith in the Fisheries Prices Support Act and in the board. I thought now we have something that will help me overcome the problem that the fishermen are always complaining about, namely that the prices are not high enough. I pleaded with the board several times. I had special hearings of the board. I went before them and pleaded the case as well as I could, but I never succeeded in getting anything tangible from the fisheries prices support board. In 1951 I held out some hopes to the fishermen of my constituency. I said to them in a debate on the 24th of April, 1951, as reported at page 2363 of *Hansard*:

> According to the information I have, the fisheries prices support board has not yet exercised its powers to set floor prices for fish and to make payments to fishermen. I respectfully suggest to the minister that the time has come for the board to exercise those powers.
>
> I hope, therefore, Mr. Speaker, that the survey which is now being made in Newfoundland by this government will warrant setting a floor price for fish and that the first request of the fishermen will be granted.

That was never implemented. There was never a floor price set for fish, and the fishermen of the Magdalen Islands are still waiting for some help from the fisheries prices support board. Here is something the fisheries prices support board could do right away. Even if they cannot set a minimum price for all fish, the price of cod should be set because cod is the biggest catch in the Magdalen islands, and the price has always been low. It would take someone more versed in economics than I am to explain why, when prices have been going up, when the cost of living has been going up, and meat and vegetable prices have been increasing, fish prices have been going down or have remained stationary. The problem of the fishermen in my county is the price of cod.

Most of the cod produced is not sold fresh; it is sold smoked or salted. If the fisheries prices support board cannot support the price of all cod, let them at least support the price of smoked and salt cod, which are exported to countries in which the people are not very well off, and who are able to pay only low prices. This would be an opportunity for the support board to step in and do something about this problem.

Then with regard to unemployment insurance. The fishermen feel that they have not been getting their share of social security. One of our forms of social security in this country is unemployment insurance. Away back in 1951 I held out the hope to the people in my county that they might get unemployment insurance. At that time I said this:

> As early as last spring, one year ago, I made representations to the unemployment insurance commission and the Department of Labour in order to bring fishermen under the act. The unemployment insurance commission began a nation-wide survey to secure the necessary information and data before reporting on this request. I understand that the report is in preparation and hope that the government will be able to include fishermen in the benefits of this legislation which has already been extended to lumberjacks.

I mentioned lumberjacks particularly, because they are seasonal workmen. That was in 1951. A report has been made, and it was negative. Nothing has been done about it. The report stated that in the United States and England they have unemployment insurance for fishermen, but they pointed out something about administrative difficulties which would have to be overcome.

I say that administrative difficulties are not a sufficient reason for not extending that form of social security to fishermen in this country. I am sure that if the Department of Fisheries will put its shoulder to the wheel, if members of the staff in that department will put their heads together, they will be able to find a way to overcome these administrative difficulties that have been overcome in other countries.

I insist again, as I feel it my duty to do, that the Unemployment Insurance Act should be extended to fishermen. And I say again that perhaps the first step would be to extend it to fishermen who are on wages or salary, fishermen's helpers particularly. There is no reason why they should not benefit from unemployment insurance, inasmuch as they are employees receiving wages, just the same as do other employees in Canada who earn wages.

One thing that would help the Magdalen islands particularly would be the export of fresh fish. To export fresh fish refrigeration ships, or a refrigeration ship, would be required. It would not be fair to put the whole burden on the federal government, because in my province the administration of the fisheries has been taken over by the provincial government. I make an appeal today to that provincial government, to the premier and to the minister of fisheries, and ask them not to forget the fishermen of the Magdalen islands. I would ask them to see that the necessary moneys are appropriated to supply refrigerators and the refrigerated ships required in the export of fresh cod. If this were done it would solve our problem to a great extent.

I call upon the government to give a new deal to the fishermen, particularly those on the east coast. I understand those on the west coast have their very valuable salmon crop, and I do not think there is any problem so far as they are concerned. Their economic conditions are good, when compared with the less favourable conditions of the fishermen on the east coast.

Let it not be suggested that fishermen are a forgotten race or a forgotten group of people. Let us see that they get what they are entitled to, the same as the other inhabitants of this great country of ours. They are a hardy race. They go out every day, courageously, wresting their living from the sea. They risk their lives to earn a living for their families and to supply food to the people of Canada. I say we should show some regard for these people, that we should show them at least the same regard we extend to the agricultural producers. I call upon the government to do its best for the fishermen of the Magdalen islands in particular, and of Canada at large.

Mr. W. J. Browne (St. John's West): Mr. Speaker, the hon. member who introduced the resolution this afternoon made reference to a reply he received last year in a similar debate. It was pointed out to him by some speaker on behalf of the government that the annual value of agriculture was very much greater than the value of the fisheries.

I do not think anyone can deny that agriculture is a most important industry in Canada, because it is so varied and so extensive in its operations. It has increased in importance in the last few years. There can be no doubt that it is of tremendous value to Canada.

It would be very difficult, therefore, to make an exact comparison. But that is what is being done when we compare the amount of money that is being voted by parliament to assist agriculture, and the amount being voted to assist the fisheries. It has been shown that last year $11 million was voted for the fisheries and $74 million for agriculture. It was pointed out that agricultural production was ten times as great, and that therefore the fisheries are receiving all they should receive.

It seems to me it is not desirable to have comparisons of that kind in our arguments. Are the fisheries getting the attention they need? That is the point we must consider. Everyone has paid tribute to the brave and hardy fisherman who risks his life and faces such hardship on the rolling deep. Anyone who has seen a fisherman come in from the banks in the wintertime, on a vessel caked with ice, must know the hardships that fishermen must endure. Anyone who has seen the small man in his dory, rocking in the cradle of the deep, must know something of the danger that the fisherman goes through.

Anyone who has seen, as I have, men from different parts of Newfoundland rallying in great numbers, as they did in 1939 and 1940, to enlist in the Canadian navy and in the British navy to defend the shores of this country, must realize that those men are deserving of the greatest consideration, because if we did not have the fisheries we would not have suitable men to man the ships of the navy.

I know that help has been given to the fisheries beyond that set out in the estimates for the department. The large amounts that are voted annually for the construction of wharves and breakwaters are in the interests of fishermen, and those expenditures are appreciated very much indeed.

Well then, is there any need to help the fishermen, more than is being done at the present time? I submit that there is. I have been in settlements occupied almost exclusively by fishermen, and I have seen the poor circumstances under which they live. It may be that fisheries cannot be carried on economically in those places. But whatever the circumstances are, the conditions one sees there show that these people are not receiving the attention they deserve. At

the present time in Newfoundland a joint committee has been appointed by the federal and provincial governments to investigate the fisheries of that province. So I suppose the resolution is really answered, so far as Newfoundland is concerned.

Therefore I can speak only in a general way in the debate this afternoon. I feel Newfoundland has a special problem because only a few years ago the fisheries of that province were such an important factor in its economic life. Those fisheries have declined tremendously. We look forward with great interest and hope to a solution by this joint committee. A royal commission which investigated conditions in Newfoundland in 1932 found that there were 65,000 fishermen, while last year it was shown that there were only about 22,000. This is a decline of two-thirds in the number of people prosecuting the fisheries. There must be some reason why such large numbers are leaving this industry. They have left to go to work in Greenland, at Goose Bay, and at Seven Islands, the gateway to the mines on the Labrador-Quebec boundary. There was a bad year in 1949; another bad year in 1950; a not too good year in 1951. What is the use of men staying in the fisheries?

The new Minister of Fisheries (Mr. Sinclair) is young, he is aggressive, and I am sure he is interested. Let us hope we are going to get some help that will put the fisheries back into the place they should be occupying in the economic life of the country. Other speakers have referred to unemployment insurance, which is most important, and to the fisheries prices support board.

The question is at what stage the powers of this board should be invoked. Should we wait until there is a calamity? In 1951 I contended that the powers of this board should have been invoked, but that was not done by the government. There has been an interesting development in connection with the fisheries in Newfoundland. The fishermen have formed themselves into a federation with provincial government assistance. I recommended in this house that the federal government should give assistance for this federation, but that was not done. This federation of fishermen has been making fair progress, but I do not know just how far an organization of that kind can go in a short time. It needs a great deal of wise direction and guidance. I do not know whether ultimately it is going to be a success but it certainly deserves to be.

I come now to the important question of marketing. The principal agricultural product produced on the prairies, wheat, is marketed through a board. It does not appear in the estimates, but the assistance given the farmers in the marketing of this product is tremendous. None of them would want to go back to the system which was in existence before. We have an organization in Newfoundland known as the Associated Fish Exporters Limited which has to do with the marketing of fish. The federation of fishermen have recently been invited to become a member of that body. I do not know whether that is the solution.

I think it was the mover of the resolution who drew attention this afternoon to the small amount of money the primary producer received for his product as compared to the amount the consumer had to pay. Along the way between the producer and the consumer are several middlemen, and a considerable sum is absorbed in profits, commissions, transportation charges and so forth. Those charges may be well justified, but the fact is that there seems to be a large gap. There is no reason why that gap should be so great; there is no reason why the fisherman should not get a larger share of the ultimate price paid for his product by the consumer.

It must be realized that the decline in the number of men engaged in the fisheries in Newfoundland is a serious matter, because we have always looked upon the fisheries as our most important industry. Despite the value of the pulp and paper industry, despite the value of the mineral industry, the fishing industry because of its extensive nature, because it is carried on by people living in 1,300 settlements around the island, because it spreads prosperity over the whole island to a greater degree than any other industry, is considered to be the most valuable.

I do not want to take up too much time this afternoon because I know several other hon. members wish to speak, and the minister will wish to reply. I should like to conclude by quoting the words of Oliver Goldsmith:

> But a bold peasantry, their country's pride,
> When once destroy'd, can never be supplied.

That applies to the fishermen of Newfoundland.

Mr. T. A. M. Kirk (Digby-Yarmouth): Mr. Speaker, it is not my intention to speak at any length regarding the problems facing the fishing industry as I, like most hon. members, am anxious to hear the new minister reply. Therefore I gladly forgo any opportunity I may have to speak at any great length. I shall not repeat the many points that have been raised this afternoon, nor shall I refer to the many new items I had in mind. If the minister replies to all the matters that have been raised he will certainly need 35 or 40 minutes.

When he does reply I should like him to deal with the problem of the dragger regulations. As he knows, there are three points of view with regard to this matter. There is one group who contend that they should be kept beyond the three-mile limit. Another group want them kept beyond the twelve-mile limit. Then we run into the international problem. Norway has been in difficulty and Greece is now operating draggers. Russia wants to change her former line. Norway has suggested that this line be changed, and I believe this matter is now before the international court.

Will the minister explain to the house, and thus to the country, the difficulties which would arise because of the international situation should we try to change the three-mile limit now recognized by Canada as being the international limit, and extend it twelve miles out, which Canada recognizes as the limit for her own nationals. I gladly forgo dealing with the rest of the matters I have in mind in order to permit the minister to reply.

Mr. D. A. Riley (Saint John-Albert): Mr. Speaker, like the hon. member for Digby-Yarmouth (Mr. Kirk) I had prepared rather lengthy notes in anticipation of having an opportunity to engage in this debate this afternoon, but like the hon. member I am most anxious to hear what the minister has to say and perhaps learn something of his plans for the future of the fishing industry in this country.

Like all maritimers I have been greatly interested in the career of the Minister of Fisheries (Mr. Sinclair). When we in the maritimes received the news of his appointment it was with a deep sense of satisfaction because of our knowledge of his past achievements in public life. That has led us to believe that he deserves to be cast in bronze so that for years after his mortal remains have been interred those who participate in the fishing industry may realize that here was a great Minister of Fisheries, here was a man who put all his energies and all the great talents which he possessed into protecting and improving this important basic industry.

I was interested in hearing what the hon. member for Fraser Valley (Mr. Cruickshank) had to say with regard to maritime fisheries. He seemed to concentrate on the maritime fisheries because for some reason or other he delights in heaping upon the heads of the maritime members a great deal of adulation. I know he feels that in his part of the country they produce more fish, but I suspect a tinge of jealousy on his part because of the quality of the fish produced in the maritimes.

The hon. member referred to lobsters, for which I know he has a great fondness. But he does not seem to like to pay too much for them. I know that in an unselfish manner he would like the fishermen to get more money for their lobsters. If he does not enjoy paying 50 or 60 cents a pound, perhaps he would feel better if he knew that the fishermen were getting a fair return for their labours. When he was standing there engaging in a humorous dialogue with members on the other side I tried to envisage him leaning over the gunwales of an open boat about two miles from shore in the bay of Fundy on the 13th day of January, pulling in 150 or 200 lobster traps. I am sure if the hon. member for Fraser Valley were to have that experience only once he would stand in his place here and demand that the Minister of Fisheries put a floor price of $2 a pound under the delicious crustaceans which these men down east harvest.

I want some assistance for our fishermen. I agree with the hon. member for Charlotte (Mr. Stuart), who has asked consistently on the floor of the house that greater consideration be given to rendering a fair measure of assistance to these men who risk their lives day after day in order to produce for the people of the country those products which are the responsibility of the new Minister of Fisheries.

There is one thing I must say with respect to the speech of the hon. member for Charlotte, and it has to do with these mechanized spiders that are hanging from the rafters or from the cobweb which is strung under the ceiling of this chamber. The hon. member for Charlotte has a clear, ringing voice. Normally he can be heard in every corner of this chamber; but I noticed that when he spoke today the hon. members in this part of the house were unable to hear him clearly. I think that the idea of hanging these mechanized spiders from the ceiling is a good one. It is good for the people who sit in the galleries, for the visitors who come here from all parts of the country in order to hear what their representatives have to say. They do not want to have to strain their ears too much in order to hear the debates that are taking place. But I have noticed that even listeners in the galleries are not hearing the voices of the members as they should. I wish I had the talent of Len Norris, the famous cartoonist of the Vancouver *Sun*, because day after day I could draw cartoons of people with their necks stretched out of position

trying to hear clearly what is going on in the house, through the little speakers on the backs of the seats. I think that is something that should be given more consideration. The system may be sound in principle but something should be done in order to ensure that voices like that of the hon. member for Charlotte are heard as they should be heard in every corner of the house.

I have only one word to say about fisheries and the assistance given to fishermen. Last year there appeared in the estimates appropriations for a couple of breakwaters in the bay of Fundy, in my constituency. One was at Chance Harbour and the other was at Lorneville. These breakwaters were to be established, as the Minister of Fisheries and the Minister of Public Works (Mr. Fournier) know, to provide a safe harbour for fishermen who are risking their lives day after day. But the hon. member for St. John's West (Mr. Browne)—

Mr. Browne (St. John's West): On a question of privilege, I did not criticize the grants to these places, but I pointed out that the amount of money spent at these places was far greater than what was being spent in places in Newfoundland where there were more fishermen.

Mr. Riley: Mr. Speaker, the hon. member for St. John's West must be a clairvoyant. I did not say I was going to say anything about him.

Mr. Browne (St. John's West): No, but you said it before.

Mr. Riley: I merely mentioned him, but now I am going to say something about the hon. member for St. John's West and his criticism. He said: Why should these breakwaters be provided for only a few fishermen along the banks of the bay of Fundy?

Mr. Browne (St. John's West): I did not say that and I suggest—

Some hon. Members: Order.

Mr. Browne (St. John's West): —that the hon. gentleman look at the record and see what I did say.

Mr. Riley: I will not try again to repeat what the hon. member for St. John's West said. However, I want to say, and I hope he hears me, that the purpose of putting those breakwaters there was to protect lives and to ensure the continuance of the fisheries on the bay of Fundy. I have only to go back to a few weeks ago when one of these fishermen, whom this appropriation was destined to protect, lost his life because there were not proper harbour facilities there. We are hoping before this year is over—and I want to remind the Minister of Public Works of this—that these breakwaters will be completed in order to provide safe harbours to protect the fishermen next winter.

Again I congratulate the hon. member for Charlotte on the forthright manner in which he attacked this problem. I want to commend all hon. members who have taken part in the debate, because I feel that their interest in the fisheries of the country is such that it should adequately demonstrate to the Minister of Fisheries that there is something lacking, and that some assistance must be provided in order to put our fishermen in a position where they will continue to ply their calling and not desert the nets and fishing boats for the cities and their industries.

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I hope no other hon. member will raise a complaint similar to that made by the hon. member who has just taken his seat, with respect to the acoustics of this chamber.

I want to make a few remarks on the resolution which was so ably moved and spoken to by my good friend the hon. member for Charlotte (Mr. Stuart). I, as others have done, wish to congratulate him. So far as my riding of Vancouver-Burrard is concerned, a request has been before parliament now for four years for the granting of money to establish a seine wharfing dock. I hope that anybody who may refer to this matter in the future will not call it a fishing dock, because it is not a fishing dock in the full sense of the word. It has nothing to do with loading or unloading fish, and the people of the False creek area in particular are very annoyed at the terminology that has been used in connection with the vote of $100,000 for this project.

I must congratulate the present Minister of Fisheries (Mr. Sinclair) because I received from him today a copy of a letter he sent to the Minister of Public Works (Mr. Fournier). The difficulty involved in the voting of the money for this seining dock is that several departments are concerned, Indian affairs, national defence, fisheries and public works. Every hon. member knows that it is hard enough to deal with one department, but when you have to deal with four your difficulties are tremendously multiplied. This vote has been in the estimates now for three years. I believe that the completed wharf will cost in the neighbourhood of $500,000. The amount of $100,000 will go toward the purchasing and surveying of the property. The hon. member for Vancouver East (Mr. MacInnis) was kind enough to write

the Minister of Public Works (Mr. Fournier) stating that he felt that all this money should be voted and the work completed this year. With that I am in complete agreement.

I should like to say, though, that the people of my constituency had a wrong impression about this until the time I had an opportunity of speaking to them just before Christmas. How they gained that impression is more than I can say. The fact remains that, regardless of political faith, all the people in that area are now desirous of having this project completed. It is difficult for a British Columbia member to admit, but about four years ago we had bad weather, with a lot of ice and snow. As a result of that, having no actual harbour facilities for these boats, the expenditures of the fishermen in repairs amounted to as much in one year as this whole wharfage project will cost in its initial stages.

I want to leave this thought with the house, Mr. Speaker. So far as these fishermen are concerned, they are not wealthy. They make fair money, but the cost of maintenance and repair is quite heavy. Their association, together with the city council of greater Vancouver and my two ministers from British Columbia, are very much in support of this project. I make an earnest and humble plea to all members of this house that we get on with the work and complete the job.

Mr. G. R. Pearkes (Nanaimo): I should like to accept the invitation extended by the hon. member for Gloucester (Mr. Robichaud), Mr. Speaker, to those members representing constituencies in which the fishing industry plays a prominent part to add their voice to the plea that he and the hon. member for Charlotte (Mr. Stuart) have made today for further aid to maintain the great fishing industry of our country. I would therefore like to add a few words to the many arguments which have already been advanced today, speaking from the point of view of a member representing a constituency on the Pacific coast in which quite a percentage of the population are employed in the important fishing industry.

In 1951 we had almost a record catch of salmon. This salmon was taken to the cannery, but unfortunately owing to the acute market crisis which arose a very large proportion of that 1951 catch was held over. When the fishing boats put out to sea in 1952 the storehouses and the canneries were already filled. This difficulty of marketing the canned salmon, which is the predominant branch of the fishing industry on the Pacific coast, threatened the industry. The loss of the export market in the United Kingdom also affected the disposal of the carryover of canned salmon.

In addition to that we have been threatened with increasing competition from Japan. The Japanese tuna fleet has been putting into the Pacific ocean, and has been sending canned and frozen tuna to this continent. In fact the Japanese canned tuna or tuna caught by Japanese is also beginning to appear on the shelves of stores in British Columbia, and thus to threaten the domestic market for canned salmon.

We realize that the government, in order to help the hog industry in this country, took certain measures in connection with canned pork. Canned pork has been definitely in competition with canned salmon from the Pacific coast. The Japanese fleet has also been putting into the north Pacific ocean, and according to a dispatch from the United States embassy dated August 18, 1952, that Japanese salmon fleet had already caught over 2 million fish. This is the same species of salmon that is caught by our fishermen. It is for these reasons that the Pacific coast fisherman is facing difficult times.

There is the Fisheries Prices Support Act which was introduced in 1944. We are told in the report of the fisheries prices support board for this year of the various ways in which that Fisheries Prices Support Act could assist the fishermen. The program, as given at the end of the report, indicates that in two small instances, during the year under review, the Labrador salted codfish and the Newfoundland shore-caught salted codfish, some assistance has been given. The fishermen on the Pacific coast do feel that the time has now come when some practical means of assistance must be worked out in order to maintain the standards of living which those fishermen on the Pacific coast and elsewhere have a right to obtain.

I cannot help noting that in the main estimates, which were tabled this afternoon, there is a decrease of $1,700,000 in the fisheries estimates. I hope the fishing industry and the fishermen of this country will not be the forgotten industry and the forgotten men of Canada.

I am, therefore, pleased to add these few words in support of the resolution which was proposed by the hon. member for Charlotte (Mr. Stuart). I do not want to take up any more time because the house is anxious to hear the Minister of Fisheries (Mr. Sinclair) conclude this debate.

Mr. T. G. W. Ashbourne (Grand Falls-White Bay): Mr. Speaker, I should like to avail myself of this opportunity to add my voice in support of this admirable resolution which has been proposed by the hon. member for Charlotte (Mr. Stuart). I believe that fishermen throughout the length and breadth of Canada will realize that in the hon. member for Charlotte, since he brought this resolution forward last year and again this year, they have a spokesman of whom they can well be proud.

I should like also publicly to congratulate the Minister of Fisheries (Mr. Sinclair) on his appointment to that important post. This is an extremely important position, and he faces heavy responsibilities. He has large numbers of fishermen throughout the length and breadth of Canada looking to him. We hope he will be able to satisfy their many wishes and desires. Living as we do in an economic world we realize that oftentimes we do not have as much reward as we think we are entitled to for our labours. But in the present Minister of Fisheries I feel we have a man of resolute action who will help to build, on a sound and firm foundation, a structure for the benefit of the fishermen of Canada and of this important fishing industry to which this resolution refers.

I do not think any hon. member will question the need for federal aid to agriculture, to a lesser or a larger degree depending upon the state of the industry and its ability to return to the primary producer an adequate return for his labours. As to the fisheries and other fields of industry, assistance should also be forthcoming when it is required. As to agriculture, we find that aids have been given and floor prices have been granted in many cases for commodities which are produced by our farmers. We are all in accord with and sympathetic toward help which has been given in that way. When $65 million were voted by this house to help the farmers, we felt that it was a good move. On the other hand, when the fishermen need assistance we who represent fishing constituencies are not remiss in our duty in rising to press their urgent claims.

Coming as I do from Newfoundland, which is now the tenth province of Canada, may I say we realize that in Newfoundland we have a tremendous source of food production. God in his bountiful beneficence has blessed our shores on the Atlantic ocean with countless numbers of fish of various kinds, and other foods such as birds. Of course the birds feed upon the fish, but they are a source of food for our people. As we think of the top soil of the world being gradually used up in order to supply the needs of the growing population, we realize what a tremendous reservoir of wealth is contained in the sea. We also realize the need for conservation in order that these God-given blessings will be used to the greatest benefit, and also for the needs of the people from time to time.

As to Newfoundland, I am afraid that the benefits accruing to agriculture are something from which we are unable to profit to any very great extent. But we can and do supply our share of fish, minerals, pulp and paper and other products, which are today taking, to a considerable extent, the paramount place which in the past was occupied by the fisheries in the province of Newfoundland.

Assistance to the fishermen can be given by the Department of Fisheries in a good many ways. These have already been enumerated this afternoon by various members who have spoken, and I do not want to repeat what has been said. Hon. members have pointed out how the department has helped in the past in Newfoundland, and what assistance the department has given.

We have these bountiful banks but we notice that, coming from the other side, the trawlers from France, Spain and Portugal are fishing these banks and taking back for their people this important food. Fish which we had often in the past supplied to such important customers as Portugal, Spain and Italy is to a great extent being produced by their own people at the present time. While we cannot blame them for that fact, we realize the great distress this has caused among people who have taken up the way of life of fishermen and who now have to lay down their nets and go off in search of work as carpenters or in other avenues of employment. These people who come over from the other side and fish on our banks are sometimes encroaching, we think, upon the territory which should be reserved for our fishermen. There may be a need for the department concerned to investigate and to decide whether or not the territorial limits of Canada should not be extended coastwise.

As I represent the important riding of Labrador, I should like to say that down there we have a tremendous coast line. Unfortunately, since confederation the Labrador fishery has declined to a greater degree than previously, although that decline was apparent before we entered into confederation.

As to the long-liners with which experiments are now being made, I hope some day they will become high-liners, because the investigation carried out by the Department

of Fisheries has been the means of exploring further fishing grounds and of opening up other banks to which fishermen can proceed and catch a larger type of codfish; and it seems to me it is the larger fish that is in demand. We can readily understand that.

Unfortunately, on the whole, on Labrador the run of fish is of small size. It was my pleasure this year to catch some myself when I was down there. In fact, one morning before breakfast I got up and threw a jigger overboard; after a few jigs I pulled in a codfish. One of the United States tourists who was also on this ship was fortunate enough to get a codfish weighing 31 pounds. He has its head mounted. That shows what the United States tourist thinks of this fish. There is no lack of fish on the Labrador. These fish come in. It is only a matter of getting traps and fishermen and being able to take them. They come in in search of food. This year and the year before the fishery in Newfoundland was fairly good, brought about I believe to quite an extent by the inshore winds which prevailed before the fish left their feeding grounds and came to the shore. When you take into account the winds, the tides, the storms and the other hazards which the fishermen have to face, it is a calling beset, as has already been said, by great danger and also by much hard work.

I had prepared quite a speech on this resolution but I see that time is going on, and no doubt the minister wants to make a few remarks. I shall take the opportunity on another occasion to resume my remarks, but in the meantime I should like to say that since the minister is going to Newfoundland in a few days to address the board of trade down there, I wish him bon voyage. I believe he will hear from the people of Newfoundland, and since he will be there he will be able to see things firsthand and get their reaction.

The hon. member for St. John's West (Mr. Browne) has already mentioned the Walsh report. We are all looking forward to it. It will soon be put into the hands of the government. As has been said before, the fisherman is an independent type of man. Sometimes when he is just moving along in his boat he is not looking to be rescued, but he is not moving at great speed. Then some of his friends come along and they think he should be moving a little faster, and because they have a more powerful boat they take him in tow. I think the fishing industry needs to be taken in tow by the federal government and given the assistance that it requires by research, by science and in every other possible way so that as a result the efforts of the fishermen may be brought to fruition and their produce accrue to the greatest benefit of the Canadian nation.

Mr. R. E. Anderson (Norfolk): Since we are considering this resolution, I would not want the minister to overlook the fact that the fresh water fish business of Canada is big business, too. Port Dover on lake Erie in Norfolk county is said to have the largest fresh water fishing industry in the world. It produces roughly $1½ million worth annually. I should like the minister to keep the fresh water fishermen of Norfolk county, and of all Canada, in mind; and I am in favour of this resolution.

Mr. Cruickshank: Before the minister speaks, may I say a word?

Mr. Speaker: I think the hon. member has already spoken.

Mr. Cruickshank: On a question of privilege, I understand that my name was mentioned, and I should like to reply before the minister speaks.

Some hon. Members: Question.

Mr. Cruickshank: May I move the adjournment of the debate?

Some hon. Members: No.

Mr. Speaker: Did the hon. member rise on a question of privilege?

Mr. Cruickshank: Yes.

Mr. Sinclair: The hon. member can scarcely move the adjournment of the debate on a question of privilege.

Mr. Speaker: No. He does not propose to move the adjournment of the debate. I understood he had a question of privilege he wanted to put.

Mr. Cruickshank: Mr. Speaker, as I understand it we adjourn at six o'clock. I am informed by some of my friends that my name was mentioned by an hon. member, and I should like to answer him if I am not permitted to move the adjournment of the debate.

Mr. Speaker: Under the rules of the house the hon. member can speak only once in this debate. Is it the wish of the house that I should call it six o'clock?

Some hon. Members: No.

Mr. Balcom: May I adjourn the debate?

Some hon. Members: No.

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, it was suggested during the course of the debate that if I did well in this department, at some time or other I would be cast in bronze. If I could answer

all the points raised during the afternoon, and particularly in the last few minutes, perhaps I would merit that.

I am very happy because of the course the debate took this afternoon. My only regret is that it is not Monday so that we could have the whole day on it, because it has given the members from the fishery ridings a very good opportunity to raise points in connection with the industry. I do regret that any dollar comparison should be made with the help given to agriculture, because the help should not be given on that basis. Both agriculture and fishery are extremely important primary industries, and help is given on the basis of need rather than on a comparative dollar value.

As hon. members noticed, I have taken voluminous notes of what has been said, and I would suggest that on the opening item of my estimates I might answer the points made, and thereby give members from fishing sections a chance to speak again when the actual items are called.

During the course of the afternoon very many aspects of fishing have been discussed and discussed well, and I look forward to having an opportunity to return to them on the first item of my estimates. I do thank not only the members from the fishing ridings but those members whose ridings which are not fishing ridings for the interest and the support they have displayed in the development of the fishing industry. With that understanding perhaps the hon. member would withdraw his motion, the understanding being that I will reply on the estimates.

Mr. Stuart (Charlotte): Yes.

Motion withdrawn.

LABOUR CONDITIONS

STATEMENT ON THREATENED RAILWAY STRIKE

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, may I be permitted to revert to motions and complete the statement I made this afternoon? The two parties to the railway negotiations met at three o'clock and discussed the proposals from the point where they left off yesterday. Certain clarifications were made, and at about 4.15 o'clock the negotiating committee representing the unions asked to have an opportunity to discuss those new clarifications with their larger body, and thereafter they would seek to confer again with the railway management, this day if possible.

I have just been talking to Mr. Kelly, and also Mr. Gordon. Mr. Kelly tells me that this larger committee is having those discussions now, and he will be able to tell me a little later in the evening whether or not they will seek to renew discussions with the railway management. Therefore, Mr. Speaker, I think we might leave it there for tonight.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will consider the following measures: First, third reading of Bill No. 45; the resolution to amend the Post Office Act, and after the first reading of that bill we will ask to revert to government notices of motions and proceed with the motion to set up a committee to consider the bill to amend the Post Office Act; then Bill No. 105, respecting the liability of the crown for torts and civil salvage; the resolution to approve the convention for the high seas fisheries of the north Pacific ocean, signed by Canada, the United States and Japan and for carrying out Canada's obligations under the convention; Bill No. 44, to protect the coastal fisheries; and then, if we have time, we shall take up three resolutions in the name of the Minister of Resources and Development, being Nos. 21, 22 and 37 on today's order paper.

Mr. Fleming: May I ask the minister whether the house is going to have an opportunity to resume the debate on the motion to set up the radio committee?

Mr. Fournier (Hull): Not tomorrow.

Mr. Fleming: When is it expected?

Mr. Fournier (Hull): Oh, at an early date.

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

HOUSE OF COMMONS

Thursday, January 29, 1953

The house met at 2.30 p.m.

CANADIAN CITIZENSHIP

PRIVILEGE, MR. CRESTOHL—ALLEGED DISCRIMINATION

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I rise on a question of personal privilege. One of the qualifications for becoming a member of this house is to be a Canadian citizen. I am a Canadian by naturalization. I am now apprehensive, Mr. Speaker, that the rights of members of parliament who are Canadian citizens by naturalization, and the rights of every other naturalized Canadian, are being seriously encroached upon by one of the provincial legislatures.

Second reading is now being debated by the Quebec legislature of a bill which tends to create a distinction between citizens of Canada; that is, between those who are Canadians by birth and those who are Canadian by naturalization. This is being done by amending the provincial election act to compel Canadian citizens by naturalization to produce their citizenship certificate before voting.

Mr. Graydon: If anything was ever out of order, Mr. Speaker, this statement is.

Mr. Crestohl: If the hon. member will have patience for a moment or two, he will see my point of personal privilege.

This is a discrimination between Canadian citizens by naturalization and native-born Canadian citizens who are not obliged, under the proposed arrangement, to produce their birth certificates before voting.

I consider it to be an encroachment upon my status as a member of this house and I believe that steps should be taken, or that a statement should be made, to provide that provincial legislation cannot and should not differentiate between the rights of citizens of Canada, inasmuch as the status of citizenship is a matter which falls wholly within the jurisdiction of the federal parliament.

LABOUR CONDITIONS

STATEMENT ON THREATENED RAILWAY STRIKE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, perhaps I might be allowed to make a brief statement about the dispute between the Canadian railways and the Canadian Brotherhood of Railroad Trainmen.

Spokesmen for both groups were here this morning and had a long interview with the Minister of Labour (Mr. Gregg), the Minister of Transport (Mr. Chevrier) and myself. At our suggestion they are meeting here at Ottawa this afternoon at three o'clock to continue the negotiations which were in process when they received last night our invitation to come up to Ottawa to let us know just what the position of each party was.

Mr. Graydon: Does the chance of settlement look good?

Mr. St. Laurent: As long as the spokesmen for the interested parties are negotiating, I should not like to say anything that might have any bearing upon the outcome of their negotiations.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Prime Minister arising out of his statement with respect to the railway dispute. Perhaps I might be permitted to say I agree with the Prime Minister that, so long as the parties are negotiating, we should not discuss the subject matters in dispute.

Some hon. Members: Question.

Mr. Knowles: However, there is one question which does arise with respect to the relationship between the executive and parliament.

Mr. Speaker: Order. The hon. member, I understand, is now about to put his question?

Mr. Lesage: At last.

Mr. Knowles: Will the Prime Minister say whether there is any truth in the report that the government has considered, if negotiations fail, taking action by order in council under the Emergency Powers Act; indeed will he assure parliament that any action taken will first of all be referred to parliament?

Mr. St. Laurent: Similar questions have been asked me by newspapermen, and I have told them that we do not attempt to burn bridges until we get to them.

Questions

QUESTIONS

SECURITY REGULATIONS, ATOMIC PLANTS

Mr. Cardiff:

What changes, if any, have been made in security regulations affecting non-Canadians, in regard to atomic plants in Canada, since January 1, 1952?

He said: I should like to have this question dropped for rewording.

ST. MARGARETS, N.B., RADAR STATION

Mr. Robichaud:

1. What is the total amount which has been expended to date on, or in any way concerning, the St. Margarets, New Brunswick, radar station?
2. What have been the annual amounts expended on, or in any way concerning the said radar station, in each and every year, including the year of its inception, to and including the first eleven months of the year 1952?
3. Were any contracts awarded to any individuals and/or firms, in connection or in any way concerning the said radar station, during the year 1952?
4. If so (a) what were these contracts for; (b) to whom were they awarded; (c) what was the amount of each contract?
5. Were tenders called for any or all of these contracts?
6. If so, what individuals or firms submitted tenders, and what was the amount of each tender submitted?

LAURENTIDES NATIONAL PARK—RADAR STATION

Mr. Gagnon:

1. What amounts have been voted by parliament towards the construction of a radar station in the Laurentides national park, Upica district, Lake St. John, province of Quebec?
2. What sums have been spent up to the present?
3. What are the names of the contractors?
4. What amounts were paid to each one, and what was the nature of the work?
5. Did the cost of the undertaking prove to be in accordance with the estimates?
6. Has the said station been tested? If so, with what results?

"OPERATION PINE TREE"

Mr. Pearkes:

1. Is the government proceeding with Operation Pine Tree?
2. If so, what funds have been spent on this project to date?
3. What is the estimated cost?

Mr. Claxton: I should like to make a statement with respect to the questions asked by the hon. member for Gloucester (Mr. Robichaud) and the hon. member for Chicoutimi (Mr. Gagnon). These questions ask the cost of radar stations and they purport to give the location of radar stations. One of the questions asked by the hon. member for Chicoutimi is:

Has the said station been tested? If so, with what results?

The hon. member for Nanaimo in question 12 asks the amount that has been expended and the estimated cost of Operation Pine Tree, by which I assume he refers to the general radar defence system of Canada.

As every Canadian bomber pilot knows, one of the things first in importance for effective bombing is to be able to locate and know everything possible about the enemy's radar defence.

This information is useful for a number of reasons. With it, attacking bombers can take the line of approach where radar coverage is least effective. If the attacker has sufficient knowledge of the location and character of the radar defences, he can try to put them out of action by jamming, by bombing and by sabotage. For these reasons, actual or potential enemy forces go to great lengths to obtain this information.

Giving the cost of various stations would help an enemy to decide whether or not each station was simply an early warning station or whether it was also a station for ground-controlled interception, a very important thing for him to know.

Also, giving the amounts expended and the estimated costs of several stations would enable an enemy to estimate with pretty fair accuracy the degree of readiness and the time when each station and the complete system would be in full operation. It would also enable him to say how long it would take to build additional radar defences, should a new type of aircraft or other new feature increase the threat of bombing attack.

The radar defences of North America are planned and will be operated jointly by the United States and Canada, and the United States air force and the R.C.A.F. agreed that the numbers and names of sites and stations, the equipment, the progress of construction and operational data would not be revealed.

Some time ago I addressed a letter to representatives of the newspapers across Canada asking their co-operation in this and generally speaking that co-operation has been forthcoming.

There is another reason why such information should not be given officially by the government. Giving it would enable a potential enemy to assess the accuracy and efficiency of this system of intelligence.

For these and other reasons which might be mentioned, it is not considered to be in the public interest to give information that would assist a potential enemy in obtaining information of this character about our radar defences. Consequently, it is not in the public interest to answer these questions.

Mr. Pearkes: In connection with my question, no details are asked for. I simply ask for the over-all amount of the taxpayers' money which is being spent on a certain

project known as Operation Pine Tree. I would ask that that total amount and the estimated amount be given.

Mr. Claxton: The same objection applies there, Mr. Speaker, because if it is possible for a prospective enemy to estimate the cost of a single station—and I suggest that it is a very simple thing indeed for him to do—then he can divide the total amount by that cost per station and arrive at the extent and the density of the coverage for the whole country. Therefore that question is equally objectionable.

Mr. Pearkes: I have not asked for the amount of any single station, only the over-all amount.

Mr. Graydon: May I be permited to make one comment to the minister in connection with this. It may happen that as time goes on questions of this kind will be placed on the order paper quite unintentionally by hon. members. I wonder whether there is not some way in which that can be circumvented. Could it not be done by some liaison between the minister and those who might decide to ask questions, because it seems to me that the minister has taken the wrong way of dealing with it today, if I may say so. I say that to him in all kindness. What I refer to is his identification of Operation Pine Tree today with our radar set-up. I think that comes pretty close to giving away secrets.

Mr. Claxton: I am afraid the hon. member for Nanaimo has already done that, and I had no course, I think, except to assume from the form in which the question was put that it referred to radar defence. This word has also appeared quite unofficially and without authority in the press, and I am afraid that the restriction on the use of the word is no longer effective. Therefore I have not done anything that would help the enemy. But the answer I gave to the hon. member for Nanaimo with regard to this matter is the correct one; that is, that if anyone knows or can estimate the cost of a single station, then he can divide the total cost of the whole operation and arrive at the number of stations and the extent of coverage in the country, which is an important thing for an enemy to know, and which so far we have avoided giving.

With regard to the question asked by the hon. member for Peel, it would be elementary in the knowledge of every hon. member that information of this kind would be of assistance to the enemy; but I am available and it would be very easy indeed for any hon. member, who has a thought of putting down a question which might involve matters of security, to ask me, and I could also refer him, if that was desirable, to the chief of staff concerned.

Mr. Pearkes: On a question of privilege, I must point out that when I framed that question and submitted it to the proper authority in this house I had no idea that Operation Pine Tree was in any way connected with radar operations in North America, and I did not know what Operation Pine Tree was.

Mr. Robichaud: In connection with my question, would the minister have any objection to giving me confidentially the information which I sought in my question?

Mr. Claxton: I shall be glad to give consideration to that, and of course I shall be glad to give the hon. member for Nanaimo on a confidential basis the information he seeks as well.

Mr. Fleming: May I ask the minister a question? Does the statement which the minister has now given to the house indicate also that the government will refuse to give to the defence expenditure committee information respecting the over-all cost—I am not speaking now of detailed cost—of matters of this kind?

Mr. Speaker: Order. I doubt if I should allow that question. Is that not a question which should be asked in the committee, and not here?

Mr. Brooks: May I mention the fact that on January 19 the minister did answer a question similar to that asked by the hon. member for Gloucester. I asked:

> How much money has been spent, on a cost plus basis, on the construction and development of the radar station at St. Margarets, New Brunswick, from its beginning until the present time?

The answer was:

> $3,223,688.73 on a "cost plus fixed fee" basis.

Mr. Claxton: I am quite familiar with the fact that that question was answered by the Department of Defence Production. It was that answer which caused us to review the whole question. I have had it reviewed not only here, but in Washington, and the result is as I have indicated to the house.

Mr. Speaker: Answered.

WORKING FORCE, OTTAWA-HULL

Mr. Knowles:

1. What is the total number of persons in the working force in the Ottawa-Hull district?
2. What is the total number in Ottawa?
3. What is the total number of non-government employees in the Ottawa-Hull district?
4. What is the total number of non-government employees in Ottawa?

Questions

5. What is the total number of non-government employees in the Ottawa-Hull district on a five-day week; on a five-and-a-half day week?

6. What is the total number of non-government employees in Ottawa on a five-day week; on a five-and-a-half day week?

Mr. Cote (Verdun-La Salle):

1. The total number of wage earners in the Ottawa-Hull district is 104,432 (as at the census date, June 1951).

2. The total number of wage earners in the city of Ottawa is 82,096 (as at the census date, June 1951).

3. The total number of non-government employees in the Ottawa-Hull district is around 65,000. This estimate is derived by subtracting some 40,000 government employees from the figure for wage earners in the Ottawa-Hull district as at June 1951. This has been necessary because no figure of government employees is presently available for the census date.

4. It is not possible to answer this question on the basis of available information because it is not known what proportion of the 40,000 government employees working in the Ottawa-Hull district work and live in the city of Ottawa.

5. No precise figure is available. The annual survey of wages and working conditions carried out by the economics and research branch, Department of Labour, for October, 1951, covered non-government employees, mostly in firms employing 15 or more workers, in the Ottawa-Hull area in the following industries: manufacturing, construction, trade, public utilities, service, transportation and communication.

Of the 27,500 workers included in the survey, 12,100 were on a five-day week and 15,400 on a week of more than five days. The major industries not included in the survey were banks and insurance, and steam railways and ancillary services.

6. The above-mentioned survey covered approximately 23,400 non-government employees in the Ottawa area, of whom 10,800 were on the five-day week and 12,600 on a week of more than five days.

FISHING BOUNTY

Mr. Browne (St. John's West):

What were the amounts spent for the annual fishing bounty, in the fiscal years since April 1, 1949, and how much was distributed in each province?

Mr. MacNaught:

	1949-50	1950-51	1951-52	1952-53
Nova Scotia	$ 80,894.75	$ 85,369.40	$ 88,118.20	$ 19.10
New Brunswick	22,082.00	20,878.50	20,343.50	56.20
Prince Edward Island	10,232.50	8,438.40	11,035.10	20.10
Quebec	46,006.60	45,216.50	40,500.35	79.85
	$159,215.85	$159,902.80	$159,997.15	$175.25*

*Payment of the bulk of claims is made in March of each year.

NATIONAL DEFENCE "BACKGROUND MATERIAL"

Mr. Knowles:

1. Who prepared the material for the mimeographed document entitled Department of National Defence, background material, in connection with defence references in the report of the Auditor General for the year 1951-52?

2. When was preparation of the material for this document commenced, and when was it concluded?

3. Where was the document mimeographed, at what time and on what day was it mimeographed?

4. Who issued or released this document, and on whose authority was it issued or released?

5. At what time was the first copy of this document given to anyone outside the Department of National Defence?

6. What are the names of the persons who were given this document on Monday, January 12, 1953?

7. Which of these persons asked for a copy of this document?

8. Which of these persons were given a copy of this document without asking for it?

[Mr. Knowles.]

Mr. Campney:

1, 2, and 3. On January 1, 1953, the front page of the Ottawa *Journal* carried a story purporting to state what the report of the Auditor General would contain, with reference to the Department of National Defence, and the Minister of National Defence, anticipating that this would give rise to inquiries by the press, instructed that background material on the observations of the Auditor General relative to defence be prepared as soon as the department received a copy of the report. As stated in the memorandum of the Auditor General, tabled by the Prime Minister yesterday, proof of the relevant pages of the Auditor General's report was shown to a number of departments including national defence; and the background material was prepared after the receipt of these pages. The drafting of the

background material was completed on Monday, January 12, and copies were mimeographed in the minister's office that afternoon.

4, 5, 6, 7 and 8. At about 6:15 p.m., Monday afternoon, copies of this material were released with the authorization of the Minister of National Defence to those representatives of the press who asked for it.

CANADIAN FISHERMAN'S LOAN ACT

Mr. Browne (St. John's West):

1. Have any loans been made under the Canadian Fisherman's Loan Act in 1952?

2. If so, where were loans made and for what amounts?

Mr. Lesage:

1 and 2. The records of the Canadian farm loan board are maintained on the basis of a fiscal year ending March 31. In the fiscal year ended March 31, 1952, one loan in the amount of $800 was granted in the province of Prince Edward Island under the provisions of the Canadian Fisherman's Loan Act.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMPORTATION OF BEER

Mr. Brown (Essex West):

1. What restrictions are in force on the importation of beer into Canada?

2. Has there been any importation of a beer known as "malzbier" brewed especially for children? If so, from what country and in what quantities?

3. Is there any restriction on the importation of a slightly sweet drink known as "malzbier", containing alcohol, from Germany or any other country?

4. Is there any restriction to the importation of any syrup or beverage produced from barley, hops, yeast and water or any one or combination thereof?

5. Has there been any importation of any brew containing alcohol known as "lollipop" beer? If so, from what country and in what quantity?

CANADIAN EXPORTS-IMPORTS

Mr. Laing:

1. What has been the value of (a) exports; (b) imports, by Canada, in each of the fiscal years 1930 to the present?

2. What has been the budgetary surplus, or deficit, in each of the fiscal years since 1930 to the present?

Mr. Bradley: Return tabled.

D.V.A. HOSPITALS—MAIDS

Mr. Bryce:

What wages are now being paid to ward maids and kitchen maids at the following hospitals: (a) Camp Hill; (b) Sunnybrook; (c) Deer Lodge; (d) Shaughnessy?

POST OFFICE

COMMITTEE TO CONSIDER AMENDMENTS—RURAL MAIL SERVICE

On the order:

Government notices of motion—the Postmaster General—Resolved, that a special committee be appointed to consider the bill, an act to amend the Post Office Act, and also the regulations, general administration and operation of the rural mail delivery service; with power to send for persons, papers and records, to examine witnesses, to print its evidence and proceedings from day to day, and to report from time to time its observations and opinions thereon and that, notwithstanding the provisions of standing order No. 65, the committee shall consist of twenty-seven members to be designated by the house at a later date.

Mr. Fournier (Hull): Last night, when I announced the business of the house, I mentioned that we would proceed with the resolution which would serve as the basis for amending the Post Office Act, and that I would ask permission to revert to government notices of motions so that we could set up the committee to study the bill.

Mr. Speaker: Will it stand until later this day?

Some hon. Members: Agreed.

Order stands.

BUTTER

FREEZING ORDER—REFUSAL TO SELL BUTTER IN STOCK

On the orders of the day:

Mr. J. A. Ross (Souris): Mr. Speaker, I should like to ask a question of the Acting Minister of Agriculture or the parliamentary assistant. As announced in the press yesterday, why has the government passed a freezing order refusing to sell some 35 million pounds of butter now in stock to the prevailing trade of the country?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): First of all, with regard to the 35 million pounds, there are only about 30 million in stock. In reply to the second question, the hon. member can rest assured that the trade does not need to worry about this butter. We have now sold the 1951 butter we had in storage, and we are only taking stock of 1952 storage. The trade is not yet suffering, and the consumer can rest assured that the price will not rise in respect of what we are doing at the present time.

Inquiries of the Ministry

CURRIE REPORT

REFERENCE TO ALLEGED CANCELLATION OF RADIO BROADCAST

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. What was the reason that a subject for "Citizens' Forum" that was to be put over the C.B.C. this evening, namely a discussion on the Currie report, which was decided upon as a subject by the advisory committee to the Citizens' Forum, was cancelled, and the substitution of another subject made?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, my hon. friend gave me notice of this question, and I have made inquiries of the C.B.C. with respect to it. I am informed that the C.B.C. had not scheduled a forum on this subject, so there is no question of its being cancelled. The topic was suggested some time ago for this week by the Citizens' Forum advisory committee, but the corporation decided not to try to arrange a panel on this subject at this time.

Mr. Fleming: Why not?

Mr. Diefenbaker: I was right.

[*Later:*]

Mr. Diefenbaker: I would like to ask the Minister of National Revenue whether the C.B.C. informed him as to why they made the decision that the Currie report would not be suitable for discussion over the C.B.C. at this time.

Mr. McCann: Mr. Speaker, that is a matter within the judgment of the corporation, as to what programs they put on. To answer the direct question, I have not been informed of their reasons, if any.

Mr. Fleming: Can you guess them?

Mr. McCann: I am not guessing out loud.

Mr. Diefenbaker: I thank the minister for that answer.

FISHERIES

EFFECT OF UNITED STATES LEGISLATION ON CANADIAN LOBSTER TRADE

On the orders of the day:

Mr. A. M. Robichaud (Gloucester): Mr. Speaker, I should like to ask a question of the Minister of Fisheries. Is the Department of Fisheries aware that a bill, soon to be submitted for approval to the legislative assembly of the state of Massachusetts, is designed to compel our Canadian exporters of fresh lobster meat to pasteurize such lobster meat in lieu of refrigeration, and to prohibit all shipments of Canadian fresh and frozen lobster to the profitable Boston market? If so, what steps are being taken by the Department of Fisheries and/or by the government to protect the interests of our maritime provinces lobster fishermen and exporters so seriously threatened by the proposed American prohibitory measure?

Hon. James Sinclair (Minister of Fisheries): The department is aware of the fact that there is a bill before the Massachusetts state assembly dealing with a proposed amendment to lobster canning legislation. It is what we would call, in this country, a private member's bill. It was introduced two years ago and defeated by that assembly.

The department is studying the implications of the bill, in the event it should pass. I think however that there is very little this parliament can or should do about action which may be taken by the assembly of the state of Massachusetts.

DEFENCE PRODUCTION

AIRCRAFT—INQUIRY AS TO PRODUCTION SCHEDULE

On the orders of the day:

Mr. J. W. Noseworthy (York South): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Defence Production. My question arises out of a statement in Monday's press, a copy of which I sent to the parliamentary assistant. It reads as follows—

Mr. Speaker: Order. I suggest the hon. member should not read the statement. I understand he has sent it to the minister.

Mr. Noseworthy: Yes.

Mr. Speaker: Then the hon. member may proceed to ask a question.

Mr. Noseworthy: The question is this: Will the parliamentary assistant comment upon that statement?

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, no comment.

Mr. Knowles: Just like a minister!

[*Later:*]

Mr. Noseworthy: I should like to ask the parliamentary assistant to the Minister of Defence Production if he can tell us whether the report is correct to the effect that in spite of a $100 million subsidy for the construction of the CF-100, the schedule is still behind?

Mr. Dickey: The Minister of Defence Production (Mr. Howe) made a detailed statement with respect to this program when

his estimates were being considered at the last session and hon. members will find this at pages 2742 and 2743 of *Hansard* of May 30, 1952. It will not be possible to make a statement dealing with this program on a question of this nature. The only brief answer which could be given would be to disclose the current and projected production schedules, which, I am sure all hon. members will agree, it would not be in the national interest to make public. A detailed statement, similar to that made last year, will be made by the minister on his estimates or on some other appropriate occasion in the house.

THE CORONATION

VISITORS ATTENDING CEREMONY—LACK OF TRANSPORTATION FACILITIES

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, I should like to ask a question of the Secretary of State. Has the government promised assistance to the Canadian Pacific Steamships line in assuring transportation to those Canadians who had booked passage for the coronation on the *Empress of Canada,* and now have to find other means of transportation?

Hon. F. G. Bradley (Secretary of State): I want to thank the hon. member for having given me notice of his question. It is understood that the Canadian Pacific Steamship Company is using its best endeavours to provide accommodation in other ships for those who had reservations on the *Empress of Canada.* In any event it should be recalled that a press release issued by the coronation committee of Canada on December 5, 1952, stated that the committee regretted that it could not look after steamship, aeroplane, or hotel reservations for Canadians desiring to attend the coronation in London.

IRRIGATION

SOUTH SASKATCHEWAN RIVER PROJECT

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. Since his answer of a week ago can he state what further consideration, if any, the government has given to the early construction of the South Saskatchewan river project?

Right Hon. L. S. St. Laurent (Prime Minister): The government has not had an opportunity to give further consideration to that project since the hon. member asked his question a week ago.

Inquiries of the Ministry

OLD AGE PENSIONS

PROCEDURE FOR COLLECTION OF ALLEGED OVERPAYMENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Is there not some step that this government can take so that the pressing of needy old age pensioners for repayment of alleged overpayments under the former Old Age Pensions Act may be stopped, particularly in Manitoba, where this inhuman practice is still being pursued?

Mr. Speaker: I doubt if that is a question which should be asked on the orders of the day.

Mr. Knowles: May I—

Some hon. Members: Sit down.

Mr. Knowles: —suggest—

Hon. Paul Martin (Minister of National Health and Welfare): Since the question has been asked and as my hon. friend may find it desirable if it is not answered to suggest that I do not want to give an answer, I think I had better deal with it forthwith. I thought the hon. member was going to rise and commend the government upon the progress it was making in the field of social security. If the situation is as the hon. member says that is a matter over which this parliament or this government has no control. That is a matter that comes exclusively within the competence of the provincial legislature. These are debts owing by individuals to the crown in the right of the province. If I may say so with great respect, I think my hon. friend knew that even before he rose.

Mr. Knowles: May I ask a supplementary question? Can the minister say whether this practice is being pursued in any other province than Manitoba?

Mr. Martin: What is the question again? I want to make sure so that I can give a correct answer.

Mr. Knowles: I asked the minister if he can say whether the practice referred to in my question is being pursued in any other province than Manitoba?

Mr. Martin: No.

Mr. Speaker: Although the question has been asked and answered I am still of the opinion that it is not the type of question that should be asked on the orders of the day.

Mr. Knowles: The matter is very urgent to those who are affected.

Post Office Act

COMPANIES' CREDITORS ARRANGEMENT ACT

LIMITATION TO COMPANIES WITH OUTSTANDING BOND ISSUES

Hon. Stuart S. Garson (Minister of Justice) moved the third reading of Bill No. 45, to amend the Companies' Creditors Arrangement Act, 1933.

Motion agreed to, bill read the third time and passed.

POST OFFICE ACT

AMENDMENTS RESPECTING CONTRACTS FOR CONVEYING MAIL

Hon. Alcide Cote (Postmaster General) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Post Office Act to provide that the Postmaster General may, in certain cases, enter into contracts for conveying mail involving an annual expenditure of one thousand dollars or less, and may also, under certain conditions, while a contract is still in force, increase the amount payable thereunder during the unexpired term thereof.

Mr. Graydon: I take it that the minister will make his statement at this stage, which I think would be preferable.

Mr. Cote (St. Jean-Iberville-Napierville): Mr. Speaker, the main purpose of this resolution is to introduce a bill which will authorize the Postmaster General to increase the amount payable under a contract for the conveying of mail during the unexpired and subsequent length of the terms thereafter under certain conditions. I may say that during the consideration of the estimates of the Post Office Department in June, 1952, I referred to representations that had been made by members on both sides of the house asking that a special committee be set up to discuss payments and procedures relating to rural mail delivery service. I indicated that I would recommend the setting up of such a committee.

The bill which will be introduced and which is the subject matter of this resolution deals with increases of payment during the lifetime of any contract, no matter whether it is a renewal or other type of contract. The provisions of this bill will relate to all types of contracts for the conveying of mail, that is, rural mail service, service between post offices, service between railway stations and post offices and the like.

The representations made by hon. members were not restricted to adjustments in the rates of payment but also referred to matters having to do with the regulations governing rural mail delivery service and the administration and operation thereon. It is my intention when this resolution has been accepted to ask the house to revert to notices of motions so that I may move the resolution standing in my name to set up a special committee. I hope that this will meet with the approval of all members on all sides of the house.

Since the last session the department and its officials have been working on this matter. A great deal of time and thought has been given to the subject and I trust that this bill to amend the Post Office Act will meet with the approval of all members so that the situation which has been complained of in the past will be duly corrected.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. Graydon: The minister's statement was a rather brief one and I think that perhaps as the discussion progresses he will have to amplify his remarks with respect to some of the provisions of the bill to be introduced. This resolution envisages the introduction of a bill to amend the Post Office Act, which by the way was amended in 1951. On the surface the resolution indicates some confusion with respect to the provisions of the prospective bill. The Postmaster General (Mr. Cote) indicates in the resolution that he desires to have legislative powers to enter into contracts for conveying mail involving an annual expenditure of $1,000 or less without tender. In view of the legislation amending the Post Office Act which was passed by the house and assented to on the 30th of June, 1951, and more particularly section 23, subsection 1, thereof, it would seem to me that the resolution is a move to reimplement legislation which has been passed by the parliament of Canada previously. I say that because I find that section 23 of the amended Post Office Act of 1951 contains these words:

When the Postmaster General conceives that the public interest will be promoted by such a course, he may enter into contracts for conveying mail involving an annual expenditure of $1,000 or less, if the amount to be paid for the services to be performed under the contract does not exceed the amount ordinarily paid for services of a like nature under contracts made after inviting tenders.

I realize that the resolution is in general terms and that when the bill is before us we may have a clearer idea of the difference between the section I have read, which was passed in 1951, and the prospective legislation to be introduced when the resolution carries. However, as it appears at the moment the indication is that what the government is doing is asking for legislation similar in terms to that passed at the session two years

ago. In addition, there is a new provision which we will know more about when the legislation comes before us in bill form. The intent of it is that under certain conditions, while a contract is still in force, the Postmaster General may increase the amount payable thereunder during the unexpired term thereof. The resolution is of course delightfully vague with respect to whether the reference is to contracts of $1,000 or less or to the entire gamut of contracts regardless of the amount of the accepted tender. Those are matters concerning which we will have to have further information as we proceed with the discussion of the resolution and when the bill comes before the house.

At this stage I should like to make a few random remarks with respect to the proposed legislation. During the war years, when the rural mail carrier was having great difficulties, as he has been for many years, the government hit upon a plan under the War Measures Act of introducing a system of supplementary payments for mail carriers. It was meant as an emergency measure and was implemented on a partial scale across Canada and made applicable to various routes throughout the country. The effect of it was that where the annual mileage rate for a rural mail route—I am calling on my memory at this time to be my witness and I am afraid one's memory is not always a very good witness—was less than $50 a mile the matter would be reviewed by the department. One difficulty that arose came about because, instead of notifying each rural mail carrier across Canada and telling him of the provision under which he was entitled to apply, to the best of my knowledge not a single rural mail carrier anywhere was notified directly by anybody in the Post Office Department with respect to what his rights were and what he was entitled to receive under the supplementary payments legislation.

The result was that across Canada there must have been not hundreds but thousands of rural mail contractors who missed out, if you like, on the benefits available under that provision. Some members of parliament and others, possibly those in the rural mail carriers' association, did notify some mail carriers as best they could but in a haphazard and hit-and-miss way. There was by no means full coverage. The result was that those who got attention from their members of parliament, from the rural mail carriers' association or from some other quarter, were the ones who received an increase in their contracts, and the other poor fellows, who did not seem to have any friends at court and who never learned anything about the provision, carried on at the old rate. When they made application afterwards to have the provision made retroactive so that the mistake could be rectified they were told by the government that it was too late then, that the money had gone into the treasury of Canada, and of course no mere rural mail carrier could be allowed to tamper with anything so sacred as that. An obvious and serious injustice was done to many mail carriers from coast to coast.

That was the first stage. Later further supplementary payments were provided for under emergency legislation after the war ended. Then for a time supplementary payments went out of existence altogether. What the rural mail carrier has always been anxious to do is to get some redress for the almost impossible situation in which he finds himself as a carrier of Her Majesty's mail. When other people do business for Her Majesty and do various things for the government not very many of them have to put up with a tender system under which they have to come back every few years to find out first of all whether the government wants them. In the second place, they are faced with a situation where they have to try to get their tenders low enough so that they will be accepted. The result is that, while people in other branches of the Post Office Department have a regular and orderly method of employment, the rural mail carrier has not.

Over the years a number of members of parliament have called for a committee, and it has not always been those on one side of the house because I think throughout Canada and in the House of Commons there is a desire to see that the rural mail carriers get a very much better deal than they have in the past. I believe it is five or six years now since I first asked on the floor of the house that a committee be set up to deal with their problems. Later the request was enlarged to include the whole of the ramifications of the Post Office Department. I have received various answers as to why it could not be done. None of them were very convincing. Of course, no argument of the government necessarily convinces a member of the opposition the first time it is made.

An hon. Member: Quite right.

Mr. Graydon: Yes, and a lot depends, of course, on who is making the argument on the other side.

Now that we have at least received a promise of a committee to deal with rural mail and post office problems, I want to say this to the government. When that committee is set up—I have no desire to debate that now because it will come up later today—I hope that the committee will be privileged to hear evidence of those men across Canada

who, day in and day out, through fair weather and foul, carry the mail. I hope they will be allowed to come and be permitted to give testimony before this committee about what they think is the best way of solving the vexed question of rural mail couriers' contracts.

All through the years we have had a number of members of parliament discussing the matter from time to time and saying what should be done—some on one side and some on the other. I think the time has now arrived when the people who are most involved, the people who know most about the situation, should be called to give their evidence so that we in parliament may be in a position to judge how it should best be handled. In the past, Mr. Chairman, our rural mail couriers found, when the supplementary payments system had expired, that they were without any possible way of having their contracts from time to time revised unless they were to throw up their contracts and ask for new tenders. That, of course, made for inconvenience, made trouble, and very often did not meet the situation.

What the minister did in 1951 in an attempt to cure the evil had the effect of compounding the evil to some extent because, not only was he given extended power, which means a power of patronage, although it was not a full carte blanche authority to deal with all rural mail contracts, but only those up to a thousand dollars. I know that I am speaking to a number of members of parliament here who in a minor way perhaps understand just how patronage does work in some parts of Canada. The intention with respect to this legislation was to extend the power of the minister, the scope of arbitrary decisions of the minister and the department, but the advantages that may come to the rural mail courier from time to time by virtue of elasticity—and I am quite free to admit there are some advantages—may be outweighed by the disadvantages. Parliament will have to watch and very carefully protect the situation so that the rural mail system will not get into patronage where it would be, of course, mired in that slough for years to come. There must be a way and there is a way out of this dilemma. I do not think the rural mail couriers want to be the objects of what is just plain ordinary party patronage. I am quite sure they do not wish to be in their present position with regard to the tender system, unsatisfactory as it is. I think it is important that, before we attempt to size up the situation and form a judgment with respect to whatever legislation comes before this house by way of an improvement for the rural mail couriers, we ought to hear what they say. That is my main plea this afternoon. Before the government asks the House of Commons to consider and decide upon this bill that is now being introduced, before it goes through—and no doubt the majority of the house will see that it does go through—we ought to have the benefit of evidence taken before the special committee inquiring into the Post Office Department.

I have no doubt that the minister intends to follow that procedure and if he does I shall be content; but I do want to point out to him and to the house that the problem of the rural mail courier has been a festering sore in our whole departmental set-up ever since I came into parliament and for a long time before. Parliament will not be the worthy institution that it is if it allows this sore to fester any longer. There is no need for it to do so if, when the committee is set up, the people who know something about the ramifications of the rural mail contract system have an opportunity to give firsthand evidence about how it should be solved. If that is completed satisfactorily I think we may well say that it will be a very good day's work for parliament.

I want to point out to the minister that when he moves, as he is doing now, toward an extension of the patronage system in connection with the post office, I think that he ought to stop, that he ought to look and that he ought to listen to those who will give evidence in the committee before this bill is passed. He should make an effort to find a satisfactory solution so there will not be just ordinary patronage, so that it will not be just one of these poverty-stricken systems of contract by tender that we have had before. The tender system has made great difficulties for those who have been operating the routes. In the final analysis we may come out of this committee with some legislation that will wipe out the scandalous situation which has existed for so long. If that is the result we shall not only have earned the plaudits of those people who so faithfully carry Her Majesty's mail across Canada in the rural districts; we shall also have met the wishes, desires and approval of the general taxpayers and citizens across Canada.

I would like to say to the minister that I fancy there may be a disposition on the part of the house to reserve their judgment on this resolution until the bill comes to us, until we know what the terms actually are, and also until such time as the committee makes its report on all of the evidence that is adduced.

Mr. MacInnis: Mr. Chairman, my purpose in rising is to ask one or two questions to

clarify certain phrases in the resolution. Do I understand that the provision:

—the Postmaster General may, in certain cases, enter into contracts for conveying mail involving an annual expenditure of one thousand dollars or less—

—means that the Postmaster General may without calling tenders deal with such contracts?

My second question concerns the provision that the Postmaster General may:

—under certain conditions, while a contract is still in force, increase the amount payable thereunder during the unexpired term thereof.

I had thought that referred to contracts that were let by tender where it transpires that the person tendering tendered too low or where costs during the term of the tender have increased so that the courier can no longer carry on at the initial figure in the tender.

The Postmaster General might answer those questions when he speaks to the resolution. I listened with great interest to the hon. member for Peel. Probably I have not given so much attention to this matter as he has given it because he represents a rural area, at least in part, and my constituency is entirely urban. This question of rural mail deliveries is therefore not so important with me personally. But for many years I have considered that the present system of letting tenders for rural mail delivery left much to be desired. It is my opinion, at any rate, that in the great majority of cases those who tendered did so at too low a figure and that if they were not delivering the mail at a loss, in any event they did not get much out of it.

As far as I can see, there are only two ways by which this rural mail delivery can be provided for, namely either by the Postmaster General acting directly—which is what we call patronage—or by the tender system. There may be other ways but they do not occur to me just at the moment. While I strongly object to the patronage system, I must admit that the old system has not been satisfactory. When we have the committee set up and can bring before it those who have been delivering mail in the rural districts, if we can be given information that will provide an answer to this question, the committee will certainly be well worth while.

Like the hon. member for Peel, I do not want to discuss the resolution to set up the committee but perhaps I could say this; and if I say it now I certainly will not say it again. I am indeed glad that a committee is going to be set up—it is something that should have been done long ago—and I hope some good may accrue from it.

Mr. McIvor: Mr. Chairman, I have wondered why mail carriers obtained their positions through examination. There is no question about mail carriers from city post offices or on the trains. Why should rural mail carriers get their positions by contracts? I do not know how the minister could choose. Suppose four men put in tenders for the contract, that the lowest man gets it, and then six months afterwards he finds it does not pay. What is the minister going to do? Is he going to raise the contract? That would not be fair to the other man who put in a higher tender.

Mr. Hodgson: Nevertheless, that is what they do.

Mr. McIvor: I suggest to the Postmaster General that this plan of letting rural mail carriers get their position by contract be wiped out, that those who apply for the job be examined in every possible way, and that they get a decent wage. I know of a man at the lakehead who is not getting enough to keep him going and he is asking for an increase, because things have changed. But as far as we at the lakehead are concerned, I must say that we are well pleased, in some cases, with the officials at Ottawa. We had one man who, for many a long year, carried the mail over the same route and he was allowed to keep the contract because it was only fair to him and his family, having regard to the fact that he had a wife and twelve children to keep. My suggestion is that the plan be altogether changed and that the rural mail carriers be chosen in the same way as other mail carriers are chosen.

Mr. Shaw: Mr. Chairman, having repeatedly brought before the House of Commons certain complaints which I have had with respect to conditions surrounding rural mail deliveries, I naturally welcome the suggestion on the part of the minister and the government to have a committee set up. I have repeatedly asked for such a committee although I believe that upon most occasions I had expressed the hope that the terms of reference would extend considerably beyond rural mail delivery service. However, since we are taking this step it is quite possible that in the near future we may have an opportunity of considering the post office generally in a committee having terms of reference which are adequate to meet the situation.

It is a fact, in my estimation, that the rural mail delivery service is a most important one to those who are obliged to depend upon it for their mail. On the other hand there is probably no more difficult task that one can undertake than that of delivering mail, particularly in the foothills areas of the Rocky mountains. I have been troubled at times

by certain conditions which I have noticed are often associated with the letting of a contract for mail delivery service. I need mention only two or three of these.

I well recall that upon one occasion a certain post office was opened. The owner of the store who would have the post office located within his establishment was, if I may use the word, "pressured"—or at least an effort was made to "pressure" him—into delivering mail free of charge over the ten-mile route on the ground that it would naturally be helping his business establishment anyway. How widespread that sort of thing might be, I do not know. Fortunately the fellow to whom I refer was just wise enough or smart enough to refuse to be "pressured" into that position.

In the second place, I am rather afraid that too much consideration is given to propositions like this: If you are an energetic sort of person, you can carry a few passengers or you can pick up some farm lady's groceries and thus make sufficient additional income to enable you to live in a sort of way, along with the money which you will be paid normally for the carrying of that mail.

Mr. MacInnis: No; along with the money that you may lose.

Mr. Shaw: Yes, along with the money that one may lose, as the hon. member for Vancouver East suggests. It is an established fact, of course, that there is no other department of government in which patronage exists to a greater extent than it exists in the Post Office Department. Possibly that situation is inevitable. Probably it does not extend to the same degree into this field of rural mail delivery. If it is at all possible to keep away from a situation in which patronage may predominate, I rather feel that is what we should do. Of course the prime factor throughout is that the Canadian people are entitled to a service; and in establishing that service we may have to indulge in certain things which normally we might not agree to.

In the establishment of these rural delivery routes and the calling for tenders I have noticed, upon more than one occasion, that all tenders have been thrown out. I have examined some of those tenders; and being thoroughly familiar with the routes over which those men must travel, I could have sworn that the man had something wrong mentally when he tendered at that figure. Yet so frequently we find the department simply throwing it out because, in their estimation, it is too high. It might be possible in the committee to go into that aspect of the matter and to endeavour to bring about a more realistic attitude of mind toward the subject in general. By the throwing out of tenders certain areas have been completely deprived of mail delivery service. I could name two or three such areas, and if I were on the committee—I am afraid I shall not be on it—I would be almost inclined to bring forward these two or three cases and endeavour to have the department justify failure to accept one of these tenders, and thus supply a very important service to the people of the community.

I shall not take any more time except to repeat that I am pleased the committee is to be set up. I am inclined to believe personally that the minister is conscientiously endeavouring to find a solution to a most difficult problem, and I am sure the committee members will help. I have no doubt that evidence that might be procured from witnesses will contribute a great deal also toward a satisfactory solution of the problem.

The Chairman: May I remind hon. members that the resolution that is now before the committee is not the one which will constitute the committee. That will come later. This one is merely the resolution that precedes amendments to the Post Office Act. Since we are in committee of the whole on the resolution perhaps I might remind hon. members of citation 439 of Beauchesne's Parliamentary Rules and Forms, third edition, which reads:

> The object of the resolution recommended by the crown is to give the house a first opportunity to discuss the advisability of making a certain expenditure. The details of the projected measure are not then disclosed and debate is confined to the resolution which should not be lengthy, although care must be taken that the terms used are sufficiently wide to cover the whole of the bill which will be subsequently introduced.

Now that the spokesmen for each of the opposition parties have expressed their views on the problem generally, perhaps I might ask hon. members who would like to speak about the conditions of the post office mail couriers generally to reserve their remarks until the next resolution comes before the house. At this stage we are merely studying the advisability of making the expenditure which is contemplated by the minor amendments to the act which are proposed by this resolution.

Mr. Diefenbaker: Mr. Chairman, I am going to restrict myself to your suggestion. I have but a few comments on the need for improving the conditions and increasing the allowances paid to rural mail couriers. As to the need there can be no argument. Throughout the years, as the hon. member for Peel has said, we on this side of the house have advocated the setting up of a committee to consider this and allied matters connected

with the Post Office Department. We naturally welcome the decision on the part of the Postmaster General to do—

The Chairman: May I ask the hon. member, having in mind what I just said, to refrain from discussing the committee resolution, because the one that is now before us reads:

That it is expedient to introduce a measure to amend the Post Office Act to provide that the Postmaster General may, in certain cases, enter into contracts for conveying mail involving an annual expenditure of one thousand dollars or less—

Mr. Diefenbaker: If you had waited until I had concluded the sentence you would have seen the purpose of it, Mr. Chairman. This matter is one that will be discussed in that committee, and will be particularly appropriate to it. Indeed, it is one of the requests made by the rural mail carriers' association to parliament, and it is because they requested it that I concur that this matter can be best discussed in detail in the committee.

I might refer to the letter that was received by members generally from S. H. Webster, Acton, Ontario, the secretary-treasurer of the association, in which he says:

Our association executive felt that couriers should again have the privilege of remuneration adjustment without having to throw up their contract and retender.

The letter is dated May 5, 1952. I know from the affirmative nod of the Postmaster General that that letter had something to do with the introduction of the present resolution, in an endeavour to accept in effect what was suggested by the association. The letter goes on:

Also, that the suggestion voiced in earlier sessions of parliament for a committee to study rural mail in its entirety was the best method yet proposed to place rural mail delivery and the service on a footing commensurate with its importance.

In order to find out the feelings of individual couriers a letter has been sent to all the mail routes across Canada, and while answers are still coming in, the response has exceeded all expectations.

Our Postmaster General has been advised of the result of this survey with a request that if possible it be considered during the present session.

When the minister replies to the remarks that are now being made I should like him to place on *Hansard* the recommendations made by the association, and the particulars of the survey referred to in the letter. During the years I have felt, as hon. members generally have, that the couriers have not been receiving fair allowances. In the past the only provision made for any increase was a provision that, in the case of a cancellation, a resignation or a re-tender, increases might be given. During the war provision was made, under the emergency legislation of wartime, to grant increases.

I have said that I agree with the need and approve of the general principle contained in the resolution. I want to add one word of admonition or advice. Every precaution must be taken against the use of the powers contained in this resolution to discriminate against some or to favour others because of political considerations. This may well be an election year, and the granting of power to the Postmaster General, however estimable that gentleman may be, that enables him on his own determination to grant to one and to refuse to another has in it dangerous elements. A suggestion has been made that political considerations sometimes enter into these matters. I am not going into examples of patronage in the Post Office Department at this time, but within the last two years I know of several instances where obvious political partisanship has prevailed. Those instances occurred before the hon. gentleman became Postmaster General. Nonetheless they existed, and on a later occasion perhaps I shall refer to them in detail. At the moment I approve of the principle and of the need and ask the Postmaster General to apply it without regard to any other consideration than the best interests of public service.

What is being done will be acceptable to hon. members not only on this side but on all sides of the house and to the Canadian people as a whole. What has to be guarded against is that these powers—and they are wide ones—shall not be used so as to produce for the government of the day a juicy melon to be apportioned. That is one thing that must be guarded against. I know the minister has no such course of action in mind. Nevertheless a power is granted; and it is just as true today as it was 140 years ago when Lord Acton said that all power corrupts, and that absolute power corrupts absolutely.

What the rural mail carriers of Canada are asking of the government, and will ask of the minister in particular, is that in administering the tremendous trust which will be given to him it shall be administered with equality to all carriers without bias or prejudice, and without any consideration other than the public service.

I would like also to add that, in making provision for the right to increase tenders already granted, further consideration be given as well to increasing the number of routes. In Saskatchewan we find ourselves in the position that during the five-year period between 1946 and 1951 there was a decrease in that province to the extent of 168 rural mail routes. I believe that decrease has continued since 1951.

I make a special appeal to the minister on behalf of Saskatchewan, particularly the people in the rural areas of that province, in asking that every consideration be given whereby a fair and reasonable allowance will be provided for the carriers, and that rural mail services will be made available, to the degree that existed seven or eight years ago at least.

I shall not say anything further at this time, more than to repeat once again the support we have given through the years to doing something to remove injustices found all too frequently among these carriers, when they have not received fair and proper allowances. We would ask that, so far as possible, the increase should be made general, and not restricted too extensively to certain areas. I could point out examples in Saskatchewan where there has been a right to an additional amount over and above the amount of the tender, where carriers should have been entitled to increases, but did not receive them.

As the hon. member for Peel has said, many carriers did not know anything about their rights to apply for increased allowances. One might say that they should have been able to read what had been done. This may be so. I know of a carrier who had no idea whatsoever that any right had been granted by statute in 1951, and prior to that by order in council. I suggest that a general notice should be sent out—and it would not be a costly thing—by which all carriers would be informed. The legislation could be sent to them with the notification that they were entitled to further consideration, that a law had been passed, and that consideration would be granted if the public interest so demanded.

I have nothing more to add, except to ask the minister to place before us the recommendations of the rural mail carriers association, an association which has done so much to raise the standards of its membership, an association the executive of which has been reasonable in its representations, conciliatory in its attitude, and at all times desirous of contributing its part for efficient public service by its membership.

Mr. Laing: Mr. Chairman, I wish first of all to compliment the very popular Postmaster General upon a very popular resolution. I do not share the concern of the hon. member for Lake Centre, who seems to think that the Postmaster General may be too generous and too political. I expect he will be neither.

Mr. Diefenbaker: I did not express any concern. I just asked that he should not be.

Mr. Laing: Well, the hon. member for Lake Centre is very proficient in raising warnings, some of which have been valuable. However, I was far more concerned and impressed by the representations of the hon. member for Peel, because I know something about the background of some of the rural mail couriers, a great number of whom operate out of the city of Vancouver into the adjoining municipalities.

I have felt that in large measure they are people who are retired or semi-retired, or people who obtain income from other sources. There has been a great tendency for these people, many of whom know very little about costs, to put in quotations on these small but important jobs that are altogether too low.

I would hope that out of this resolution a formula would be devised which might remove some of the elements of competition. There comes to my mind the thought that perhaps a committee could be set up in a local area. I know that in Vancouver we could get together a committee of two or three people to assess the value per mile of operating any particular man's vehicle. The routes are specific as to mileage. If a man knew when making his quotation what he should expect for the operation of his vehicle I think we would have less objection to his competing on his own personal income. I have in mind in the city of Vancouver a man who has a contract today for the picking up of the mail at the drop boxes and from the railways, and delivering it to the Vancouver post office. Today he is being employed on an hourly basis for his trucks. He is receiving only 30 per cent of the total amount, per hour, for each of those trucks; the other 70 per cent goes to the labour operating the trucks.

There was a time in Vancouver when the situation was exactly the reverse, when 30 per cent went to the employee operating the truck, and he received 70 per cent for operation. This present situation is bad for the man who has the contract. I know the minister will have difficulty in working out a practical formula. But surely we can do a lot better and be more fair to these people than we have been in the past. I welcome the resolution.

Mr. Wright: I should like to place one or two questions before the Postmaster General, which he may answer now or later. How many rural routes are there in operation in each province? How many are on a twice-a-week basis and how many on a daily basis? How many people are served by those routes in each province?

The hon. member for Lake Centre has indicated a decrease in the last five years

in the number of routes in Saskatchewan, brought about largely by the fact that the system used there has been based upon the old horse-and-buggy days. It is archaic. The amounts paid for the service given are not worth while. In the general revision we are now going to have with respect to rural routes in operation, something should be done in western Canada to put rural mail delivery on a sound basis.

Old routes were from 25 to 30 miles and could be served with a horse and buggy or horse and cutter. Many of the roads were not in too good condition and that was the only way in which the people could be served. But today more modern equipment is available and if the rural mail carrier can keep busy every day he can cover a greater area and render much better service to his customers. As a result he will have more for himself and be able to provide a better type of equipment.

I hope that these matters will be taken under consideration by the committee. I am sure that when the questions which I have asked the Postmaster General are answered we will find that as far as Saskatchewan is concerned there is very little in the way of rural mail delivery at the present time. What there is is mostly on a twice-a-week basis.

Mr. White (Middlesex East): Mr. Chairman, I wanted to say a word or two on this matter. On several other occasions I have taken advantage of the opportunity offered to express to the house and the Postmaster General the hope that a better system of rural mail delivery would be worked out. I agree with what was said by the hon. member for Peel and the hon. member for Lake Centre. I am not going to go into details, but I do contend that the need for a change is long overdue. The working out of an arrangement that will be mutually satisfactory will present quite a problem. Other speakers have referred to patronage. As far as my area is concerned I do not think that that enters into the picture and I hope that that condition will continue in the future.

Possibly an arrangement could be worked out on the basis of mileage, plus the number of boxes, plus the type of road. The matter of the extension of rural routes should be considered. I know the minister will correct me if am wrong, but I believe the arrangements governing the extension of routes, say in Saskatchewan or the western provinces, are such that when extended they are extended for greater distances than they would be in Ontario. I have heard that such is the case, although I am not sure.

It will be remembered that rural mail delivery was commenced many years ago. The hon. member who has just spoken referred to the use of the horse and buggy and the horse and cutter. We have long passed that stage and I do not think it should be so difficult at the present time to extend our rural routes. I think all people in the country should have the advantages of rural mail delivery if it is humanly possible to provide it. This is the sort of thing the Post Office Department should be considering.

I am sure the minister realizes that no other department of government touches so many people. Even the newly-arrived immigrant is interested in receiving mail from his homeland and the instructions and other information sent through the mails to new Canadians. I think the minister can do a great deal to improve the understanding of his department by the people of Canada.

There are many new housing developments being carried out adjacent to our cities and it has not been found possible to provide postal delivery service the same as is provided in the city because of the absence of sidewalks. Some of the new modern housing areas do not contemplate the installation of sidewalks. These are some of the things that have to be worked out. I see the parliamentary assistant shaking his head, but this is still a problem for the department.

Mr. Langlois (Gaspe): It was simply because this is out of order; it is not provided for in the bill.

Mrs. Fairclough: How do we know? We have not seen it.

Mr. Langlois (Gaspe): This is a resolution.

Mr. White (Middlesex East): I am hoping that, when the committee meets, interested parties, including representatives of the rural mail carriers' association, will be called in so that we can hear their side of the story.

The Chairman: Before we go any further may I say a word? Hon. members often say that the rules are outmoded and complain that sometimes debate is permitted to go on for some time when it is really out of order. Before I am accused of having permitted a debate which is out of order to continue too long I should like to ask for the co-operation of hon. members. If they will look at the order paper they will see that the resolution which will be debated immediately after this one is adopted provides for the setting up of a committee with a view to examining the amendments proposed by this resolution. Therefore, there is not a single speech that has been made on this resolution which could not be made on the next one.

I think this provides a perfect occasion for the exercise of restraint. Once this resolution is passed, hon. members will have ample opportunity to discuss at any length they wish, on the other resolution, the matters they are now discussing. I leave these remarks for the consideration of hon. members.

Mr. Herridge: Mr. Chairman, I intend to remain in order. I am interested in the provision that permits the first speaker for each party to be in order and then the rest of us to be out of order. I must say that I have listened with interest to the remarks of the hon. member for Peel, which I understand were out of order. But I do support his proposal and I think he adopted a very good attitude towards this whole problem.

I am interested in rural mail delivery as I represent a rural riding in which there are many difficult rural mail routes. I am glad to see a resolution being introduced which indicates that the government is beginning to realize the inequalities and unfairness of the present system. I had intended to say a little more, but I am going to take your advice and I will say no more on this resolution.

Mr. Hodgson: Mr. Chairman, I am going to take your command or advice, whichever you call it, and say very little at this time. I think the whole set-up is wrong. I think this whole matter of tenders and everything else should be handled by the civil service commission. I have personal knowledge of patronage being practised in my riding, not only recently but in the years gone by.

I understand that this resolution is being brought in more or less at the request of the rural mail carriers' organization and I hope that it will result in improvements in this system.

Mr. Bryce: Mr. Chairman, I am going to abide by your advice and say only one thing. I am sorry to see that this is going to be put in the hands of the Postmaster General. I do not want to see the day when you have to be a Liberal before you can haul the mail. I do not want to see the day when you will have to be a Conservative, when the Conservatives are in power—

Mr. Hodgson: Oh, no.

Mr. Bryce: Oh, yes. It leaves the whole thing wide open to political patronage. The Postmaster General is given the power to say what a man will get or who will haul the mail. I have nothing against the Postmaster General as he is a good friend of mine, but I am thinking of those who may follow him and who may be really bad. It says distinctly here that the Postmaster General may appoint a mail carrier when the contract is for $1,000 or less. I think they are pretty nearly doing it as it is. I know a fellow who hauled the mail for four years and then lost the job. Another person tendered and got it, and I know how he got it too. I wrote the Postmaster General and asked him when the route would come up for tender again. The effect of his letter was that they did not need to ask for tenders and that the fellow who got the job was doing all right. That may be all right but they did not take that into consideration in the case of the fellow who had the job before. They called for tenders. I do not want to be out of order but I regret a step that will leave the matter open to political patronage. I think we should get away from that.

[The Chairman.]

Mr. Gauthier (Portneuf): I do not believe the set-up is wrong. The civil service commission has enough work to do at the present time, and if the matter were turned over to them, it would be too much for them. In the second place, may I say that no political considerations enter my mind when I deal with the Post Office Department or the mail carriers. It may mean that I have to do a little more work but I am ready to do it for my mail carriers. I am sure the measure would not have been brought forward by the Postmaster General if its purpose was not to improve the situation of the mail carriers.

Mrs. Fairclough: Before the resolution is carried by the committee, will the Postmaster General clarify it by explaining to the committee in what respect the bill to be introduced will differ from section 23 of the legislation passed in 1951? Would he tell us in what manner this resolution complements the other, because at first reading it would almost seem as if we were being asked for permission to do what has already been done.

Mr. Cote (St. Jean-Iberville-Napierville): I shall say only a few words in order to clarify the situation because I believe that a little confusion has arisen. First of all, I must thank the members who have already spoken and who are ready to co-operate in this matter. The bill to be introduced amending the Post Office Act does not change the act at all except in those respects mentioned in the resolution. The purpose is to allow the Postmaster General to readjust the remuneration received by mail contractors. Some of my hon. friends complained about patronage and said in support of their complaints that we must maintain the tender system. We are keeping the tender system. Nothing in the law is changed so far as the tender system is concerned.

Someone said that we do not actually operate the tender system in respect of contracts under $1,000. That is true. According to the

law the department has the power to enter into contracts when the amount involved is under $1,000, but I would say that in 95 per cent of all contracts under $1,000 the procedure is the same in that tenders are submitted by contractors. There has been a general complaint from all sides of the house that provision should be made to readjust the remuneration paid under mail contracts. I can remember my hon. friend (Mr. McLure) referring many times to a contractor in his riding who had submitted a tender $5 less than the other man but lost the contract. He said that the man had had experience, had expended money to buy a car, and that it was an injustice to him. This is one of the injustices we want to correct by the bill to be introduced.

Take, for instance, a contractor who has carried out his contract for three years and ten months. We would be ready now, as we have the power to do, and as was suggested by my hon. friend who spoke a few minutes ago, to renew his contract. If he has given good service, if he has gone to the expenditure of a considerable amount of money, and is obliged to submit a tender again, we do not see why we should not renew that contract. It is permissible to do so now, but on the other hand we do not want to oblige that man to renew the contract if he is certain of losing money. That is why the bill is to be brought forward. The purpose is to find a way to readjust the amount paid to the contractor in such circumstances so that he can continue to serve his country and not lose money while doing so.

At the present time we have the power to readjust the amount of money in contracts under $1,000 but the method of doing so is not very satisfactory. It is done by taking the average of similar contracts obtained by tenders in an area. We take the average. I do not want to go into the details. It will be up to the committee to find the best way to do it. We think that the plan on which the department has worked will give satisfaction to the committee. We want to be in a position to readjust not only contracts under $1,000 but all contracts with the exception of those mentioned in article 29 having to do with the railroads, Trans-Canada Air Lines and so on. If it is a good principle to adjust contracts, the amounts of which are under $1,000, it is equally just, if we can find a way to do so without discrimination, for all contracts of a similar nature whatever amount of money is involved.

The hon. member for Lake Centre referred to the association. We have received constant demands from many sources over the last five years. The association also wrote us and suggested that we should try to find a way to readjust objectively. What we have in mind is exactly that, to readjust not because in the minds of the officials a particular amount is the one which should be applied but because objectively from the information we receive from the labour department and all other sources the amount is fair having in mind comparable services performed in the area. Generally speaking that is what we intend to do. I cannot go into all the details on the resolution as to how it will be done.

It will be up to the committee to call any person whom they think should be called. I not only have no objection but I invite the committee to call every officer in the department, every person from the association, and any other interested parties who can give them information. I think such a course will be in the interests of the committee and what we are seeking to achieve, the betterment of the legislation, so that there will be no discrimination or unjust patronage according to the meaning that we usually give to that word. We in the department do not want people to feel that they do not receive justice and a proper appreciation of their claims from the Postmaster General. What we have in mind is to try to be in a position to give justice to all those who are serving the country in this way and who are a part of a big system. We feel that every citizen in the country must be looked after and must feel that he belongs to the same family. We are trying to give adequate treatment and service to all those who belong to the Canadian family.

I must thank all those who have spoken so far because they have said things which I really appreciate. It is my continuing wish and hope that I may be able to respond to the feelings they have expressed. I do not wish to do anything that may be described as furthering political patronage, making differences between this mail contractor or that mail contractor because one is a Liberal, another a Conservative or another a follower of any other political ideas. That is not what I have in mind. I want to approach the problem openly and broadly, and to find a solution to the difficulties which have existed for many, many years.

Now, Mr. Chairman, I will wait until the resolution is passed to revert to notices of motions.

Mrs. Fairclough: I believe the Postmaster General has pretty well explained what I had in mind but I wonder if he would confirm my understanding, which is that in the

last part of this resolution all contracts are covered, not just those under $1,000.

Mr. Cote (St. Jean-Iberville-Napierville): All contracts except those covered by section 29, which deals with railway and aviation transportation for which we already have the power to enter into contracts without tenders.

If I may summarize, we are keeping the law as it is. We are keeping this legislation as it is. The amendment is made only in an effort to find a way of readjusting the contracts of those who are losing money and who would not continue to serve the country with the best equipment.

Mr. Graydon: May I ask the minister one question arising out of what he said about rural mail couriers coming to give evidence before the committee. I would not want to be unreasonable in anything I suggest with respect to the matter, but I take it that those who might be witnesses, to give the committee some of their good advice, would be called in the normal way and would be paid their fare to Ottawa and back to their ordinary residence. Those people could not afford to come otherwise.

Mr. Cote (St. Jean-Iberville-Napierville): I think it would be unfair for me to try to make suggestions to the house. It will be up to the committee to decide what means they shall take to call witnesses, officials and other persons.

Mr. Fournier (Hull): Hear, hear.

Resolution reported, read the second time and concurred in.

Mr. Cote (St. Jean-Iberville-Napierville) thereupon moved for leave to introduce Bill No. 107, to amend the Post Office Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: Has the minister leave to revert to notices of motion?

Some hon. Members: Agreed.

POST OFFICE

COMMITTEE TO CONSIDER AMENDMENTS—RURAL MAIL SERVICE

Hon. Alcide Cote (Postmaster General) moved:

That a special committee be appointed to consider the bill, an act to amend the Post Office Act, and also the regulations, general administration and operation of the rural mail delivery service; with power to send for persons, papers and records, to examine witnesses, to print its evidence and proceedings from day to day, and to report from time to time its observations and opinions thereon and that, notwithstanding the provisions of standing order No. 65, the committee shall consist of the following members: Messrs. Ashbourne, Beyerstein, Boucher, Brisson, Bryce, Cardiff, Cardin, Coyle, Cruickshank, Dinsdale, Dumas, Dupuis, Garland, Gour (Russell), Green, Hosking, Langlois (Gaspe), MacKenzie, MacLean (Queens), McCulloch, McWilliam, Noseworthy, Robertson, Robichaud, Spence, Ward and Welbourn.

Mr. Gordon Graydon (Peel): I take it, Mr. Speaker, that the minister is not going to make a statement in connection with the motion to set up a committee. If he were I would gladly yield to him.

Mr. Cote (St. Jean-Iberville-Napierville): I do not intend to make a statement.

Mr. Graydon: I think you are wise. Sometimes the less you say on these things, the less trouble you get into. I pass that on as good advice to the minister. The Minister of Public Works (Mr. Fournier) follows it to the letter.

An hon. Member: Why do you not follow it?

Mr. Graydon: I could include some more. There are one or two things in connection with this motion that I would like to say. I had thought that a committee of this kind would not be confined entirely to the amendment which is now about to be made pursuant to the resolution which has passed. I thought the committee would have the power to deal with matters relating to the department as a whole.

If I were minister of this department—and I would not think that would ever happen—I perhaps would be taking the same position as the minister is taking. However, if the minister were standing where I am he would probably be taking my position.

I think it is fair to say that there are a number of things in the operation of the post office which do need cleaning up. Mere revision of the Post Office Act, which took place in 1951, does not necessarily do that. There are many outstanding problems in connection with the delivery and dispatch of mail in rural, urban and suburban areas which would seem to me properly to be the subject of review by a committee of this kind. I am not urging the matter especially at this time except to say that I think the house is entitled to have included in the matters referred to the committee things which are additional to rural mail contracts. With that I am going to rest my case as far as that feature is concerned.

The situation with respect to rural mail operations was dealt with by me at some length today on a previous resolution, and I have no desire to continue that discussion; but there are some other things I want to say to the minister. With regard to what I had in mind about enlarging the powers of the committee, I was thinking particularly

of that great and growing section of Canada which is known as suburbia, in other words those sections, particularly on the fringe of great metropolitan cities, where people now find it attractive and convenient to live. They move out of the city and have their homes in the suburbs.

In my own county of Peel there has been a movement which has gained momentum particularly in the years since the close of the second world war. It has reached a point where we have a city of almost 30,000 people at the south end of Peel. That has brought all the growing pains that come to a new settlement of that kind. With those growing pains we have had a good many problems with respect to rural mail delivery and I want to bring that matter, that specific case, before the minister today if I may.

I should like to have seen the motion made broad enough and the committee's powers made extensive enough so they could have reviewed the whole question of suburban mail delivery. It really comes in between strictly rural delivery to the farmers and the letter delivery service which many of the urban municipalities enjoy. In the United States of America some improvements have been made both in the thinking and the procedure in the post office department, and those improvements have made for certain changes in connection with delivery in suburban places. I thought it would be a good thing for this committee to have the opportunity of discussing those changes and, if possible, finding a solution to some of the problems confronting these people in the suburbs.

These problems are real ones because in some cases the people are obliged to go a long way to the post office. They are unable to get rural mail delivery, in many instances, because of the fact that the settlement is not one that adapts itself to rural mail delivery. They therefore find themselves in between the two. They are neither rural nor urban. The result is that the suburban people of this class sometimes suffer and have great difficulty in getting their mail from time to time.

In the Lakeview and Port Credit areas in my own county the situation has been partially rectified by the establishment, or at least the promise of the establishment, of a letter delivery service. I want to take this opportunity of thanking the minister for what he has done in that connection to relieve an extremely serious situation which was developing in those fast-growing areas of Toronto township. But I want to say this to the minister. When he is dealing with matters of this kind, and when he is instituting letter delivery service to take the place of rural mail service or of postal service which comes from the post office itself, I hope he will instruct his department to do two things in future, as a result of these experiences we have had there.

One is this. I hope he will not wait until 90 per cent of the people or of the houses in the area have those articles of hardware known as letter slots in which to put the mail. Human nature being what it is—and the minister knows this—as soon as people know that the mail is going to be delivered say a week from Monday they will rush out to the hardware store and get slots, and right down the street they will be all ready that day. But that will not happen if the minister does as he has done in this case and says to the people in an area: Just 52 per cent of you have slots now, and we will make another survey in a few months. You find now that in the Lakeview-Port Credit area the percentage is something like 68.5 according to the minister's latest calculation and he is going to have another survey in March.

In all kindness I suggest to the minister that he ought to start these walks now. I he does so; if he tells the people there that in the course of a couple of weeks they will have mail delivery, and that if they do not have a slot in the door they will not have any delivery, he will find a slot in every door in the Lakeview-Port Credit area. I only mention that fact because it is a matter of the transition from a rural mail and post office area into that of a house to house delivery area.

In addition to that, may I say this to the minister. When he is taking over these rural areas he may find some blind spots here and there where the policy of the department gets rigid and where they say the letter carrier should not be asked to go along those streets because there are not as many houses as there are on some others. When you give letter delivery service or rural mail service to an area I think it is good business, and a matter of fairness and justice, to see that even those blind spots are taken care of and that everybody in the area has service.

I point out to the Postmaster General that in the Lakeview-Port Credit area there is the Queen Elizabeth garden subdivision which started off with something like 10 houses, then got up to 200 and now has nearly 400. Because it happened to have an entrance from Cawthra road, which is a main highway, and is not on that road itself unless things have changed in the last couple

of weeks these people are not going to have any letter carrierd service at all. That situation exists in many other parts of the country. When you put in a letter delivery service you are going to find a great many gaps, and that fact is going to cause a great deal of trouble because the situation is unjust and unfair. Even though you have to make your regulations a little bit elastic, go ahead and give service to that whole district, every house in it, and you will find that the results, having regard to public relations, will be great, both for the government and everyone else.

I make that plea to the minister, knowing that he is receptive and that he welcomes reasonable and sound suggestions. I would also ask him not to just let it remain on *Hansard* but, when he goes to his office after this debate, to get in touch with his officials and see that the thing is done. Do not just leave it on *Hansard* where it will remain six weeks from now, and have someone come along and say, "I raised a question and the minister said he would try to look into it." I know the minister wants to do the right thing in these matters, and I make that urgent plea to him this afternoon. I am confident that he is going to do what I request.

I want to say that we welcome the setting up of this committee. I hope its terms of reference may be enlarged to take in some of the problems I have mentioned this afternoon in addition to matters with respect to rural mail couriers. As a parting word may I say to the minister that despite the fact that I know neither he nor the Minister of Public Works—oh, here he comes now. I can never make a statement about the Minister of Public Works without having him arrive from behind the curtain. In any event I hope the minister will bear this in mind. I know he will not have anything to do with this committee. No minister ever does. All these committees are independent. The ministers hardly know they are set up, I understand. But somehow or other the committees unconsciously rather like to do the things that the ministers find are the proper thing to do, within bounds and within reason, of course.

I do not want to interfere with the committee in any way; but when the minister is talking just naturally to some of the members of the committee, even in the corridors, he might just suggest that these rural mail couriers, in whatever numbers are needed, have their travelling and living expenses granted to them when they come down here to give evidence. These people are just going on the thin edge of nothing economically, the whole lot of them; and it is tantamount to not getting their evidence at all if you make them pay their own way down to Ottawa. I think some allowance ought to be made. I have looked through the public accounts and I have found that there are a good many people across Canada who are allowed living allowances and travelling expenses. It seems to me that the rural mail couriers could be included in that great and growing body who at least are not asked to take anything out of their own pockets, in order to help the country.

Therefore I suggest to the minister and to the committee that everybody will be watching the work of the committee, because it is most important. I talk to many people who do not come from rural areas and who know nothing about rural areas, who think that this is just one of those side issues that does not amount to very much. I want to tell those people that this is a very important issue, and that in settling the problem of the contracts for carrying our mail in the rural areas this committee will be taking on a very heavy burden. I wish it well in the work it will do. I do hope the minister will take some notes, if his parliamentary assistant has not done so already, on three or four of the things I have mentioned so that I shall not have to come back later and ask the minister whether he has dealt with the things I mentioned two weeks ago.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, for a number of years we in this group, in association with other members on the opposition side of the house and also some members on the government side, have urged the necessity for the establishment of a committee to study this question of rural mail couriers. Therefore we are very pleased indeed to support this resolution, and look forward to the committee having a full opportunity to go thoroughly into the long-standing grievances of the rural mail couriers of this country.

Before proceeding with the brief remarks I wish to make in connection with this resolution, I want to congratulate the minister on the improved morale in the Post Office Department since he has taken over. I come from British Columbia. I do not know just how he has managed it, but I have met a lot of people who have said to me: "I think that Postmaster General is a pretty good guy", and so on and so forth. He must have a system of public relations that is quite effective, and I extend my congratulations.

I come from a rural area which is made up of many mountains and lakes which present some particular and unusual problems so far as the delivery of rural mail is

concerned. I must say at this stage that I have not particularly noticed any political patronage so far as the awarding of contracts for the carriage of mail is concerned, possibly partly due to the fact that the remuneration the department pays is low in relation to the average earnings of the working people in my constituency. But it is a difficult country to cover; it presents some unusual problems. Rural mail is carried by bus, by car, by truck, by barge, by launch and by steamer. For a short time it was carried by air to two isolated points as an experiment, which proved unsuccessful.

I have had a long residence in that district, and I have noticed the particular difficulties that the carrying of rural mail presents. However, I want to be fair. I have discussed this matter with the minister's officials, and I fully realize the difficult problem it is. But the tender system is not entirely satisfactory, and I know the mileage system presents difficulties. Even a salary system presents difficulties. That is why I welcome this committee which will have an opportunity to go into all these questions and into the experience of the officials of the department, and I trust that the rural mail couriers will have their representatives there to present their views. That is very important.

I want to give just briefly, Mr. Speaker, some examples of the unfairness that does exist under the tender system. I think of my district and of a certain workingman who had a small truck. He secured the mail contract between two points about a hundred miles apart. He gave most efficient service; he was well liked in the district. He was courteous, and usually kept the deliveries on time, sometimes under very difficult winter conditions. Then a tender was called for, and a man already successfully established in a considerable business tendered; and because his tender was a few dollars lower than the tender of the man who had operated the route for some time he received the contract. He then turned around and hired someone at less than average wages for that type of work to drive the truck. In my opinion that is one instance of the unfairness of the tender system, and I do not quite know how you are going to overcome it.

In another instance a man took a tender for carrying the rural mail by launch. He had a quite substantial launch. He spent some money in improving it and carried the mail between two or three points some thirty miles apart. Because these isolated communities are served only by a steamer service twice a week he was able to bring in certain supplies required by individuals in the community, and also to carry parcels backward and forward. On several occasions his stout, seaworthy launch—one of the few in the district—was able to take sick people to hospital, and on emergency trips. After carrying on that service at a very reasonable price—a low price, I should say—to the satisfaction of everybody concerned, tenders were called for. Somebody else came into the picture and created confusion, against the wishes of all the people concerned in these communities. The matter was discussed for months and months. The man wants to build an even better boat, but he does not know what to do. Finally the whole situation became so difficult and there are so many, shall I say, intangible factors involved that the department reduced the mail service to those communities from three times a week to twice a week by giving this contract, for the present winter months, to the Canadian Pacific Railway Company.

I do think that there is unfairness under the tender system for two reasons. In many cases the contract goes to a man whose tender is slightly lower than the tender of the man who has satisfactorily performed the work for years. In the second place, the present system provides no security for men who sometimes have given years of devoted service to the communities they have served.

I listened with interest to the remarks of the hon. member for Peel (Mr. Graydon) when he was strictly out of order on the other resolution and when he was in order on this resolution, and I must say that on the whole I agree with what he had to say. I think he made a very reasonable factual presentation of the position so far as the rural mail couriers are concerned.

We in this group are very pleased indeed to see this resolution specialize on these particular problems. We can also support his other suggestion as well. We wish the terms of reference had been somewhat wider to permit an examination into general post office operations. However, having attained one objective by having this resolution placed on the order paper, we shall have to continue to advocate the second objective and trust that it will receive the favourable consideration of the Postmaster General as the days go by.

I bring these matters to the attention of the Postmaster General. I am speaking with some knowledge. Even before I came into this house I was interested in community organizations, boards of trade, farmers' institutes, and bodies of that sort; therefore I have a pretty good knowledge of the complexities and difficulties of this problem. In associations that I have been connected with we have often discussed ways and means of

correcting various mail situations. I admit again that it is a very difficult problem, but I trust that as a result of a thorough examination of this problem by the committee and with the advice of the officials of the department, when this committee reports its recommendations will make provision for a great improvement in the conditions under which the rural mail is carried in this country.

Mr. Robert Fair (Battle River): Mr. Speaker, like those who have spoken before me, I am also in favour of this resolution and only wish that it had been introduced and acted upon many years ago.

The problem of the rural mail courier is one that has taken up quite a little time in the house, and I am glad to see that we have at least secured a minister who has listened to what we members here have to say. I also want to thank him for putting into operation a rural mail route which was put out of business a little while before he came into office, simply because a few dollars were involved. At the present time none too much is being paid.

I believe the hon. member for Peel (Mr. Graydon) made a good suggestion when he said to the minister that the expenses of witnesses brought here should be paid, because the expense of coming here might prevent some valuable witnesses from putting in an appearance and giving evidence. We have paid plenty of money by way of expenses to other witnesses, and I hope these expense moneys will not be denied representatives of the rural mail carriers' association.

The system of tendering has been given approval in some places while in other places it has been discredited. If all mail carriers were good businessmen the situation would be somewhat different. However, many of them have been enticed into putting in tenders at figures much below the value of the work involved. The result is that shortly after they begin working they find they are losing money, and on some occasions this results in the giving of poor service. The result is that the people on the route must suffer because of the low tender.

In my home town I know of one carrier, Mr. George Martin, who is on his route six days a week. When I was home at Christmas he suggested something which might be of interest to the committee. He pointed out that some school district buses are paid on a mileage basis. That is, on a paved road the rate is so much per mile, on a gravel road it is slightly different and on a dirt road another rate is paid. This might be considered with profit by the committee. Then I suggest there should be consideration of the density of population or the number of boxes per mile. This might be helpful to the committee.

I would ask that the committee and the minister give careful consideration to increasing the service from two to three deliveries a week. So far as I know in my constituency we do not receive more than two deliveries a week in any section of the territory which, at the present time, is somewhat in excess of 6,000 square miles. On the other hand people in cities and towns have daily mail service, and we hope provision will be made soon whereby they will have it twice a day.

I think therefore the committee might properly consider giving delivery three days a week in the rural areas. We must remember that the people in the country districts are, in practically all cases, primary producers and, as such, they should have their fair share of the services for which they are paying.

Then there should be some type of security for those people who spend many years of their lives delivering mail over rural routes. Perhaps this would not apply to those who have worked for only a short time; but there are many who have spent the best years of their lives in the delivery of mail, and I suggest the minister might consider making available to them the form of pension given to other members of the post office staff.

I do not wish to take up further time, but I felt I should make these few observations in the hope that they might be of interest to the committee.

Mr. F. S. Follwell (Hastings South): Mr. Speaker, I have withheld any remarks I wished to make until this time, when we have before us the motion to set up the special committee. At the outset I should like to say to the Postmaster General (Mr. Cote) that, coming from a constituency that has both rural and urban residents about equally divided, I find it necessary to take up many problems with the Post Office Department on behalf of those people. Let me say to you, sir, that I have had the utmost co-operation and success in dealing at the local level with postmasters involved, then with the district inspector, and then with the Postmaster General or his parliamentary assistant, as well as other officers of the department.

When I have discussed with the Postmaster General problems connected with expanding communities in suburban areas, such as were described by the hon. member for Peel (Mr.

Graydon), he has been most receptive and, on each occasion, a daily mail delivery service has been put into practise.

Referring now particularly to the rural areas, may I say that I am deeply gratified that finally this matter has reached the point where a committee of the house is to be set up to deal with injustices under the act. One particular amendment that I suggest should be made would be to that section of the act which would seem to prohibit delivery of mail to residents living just off an established route. In bringing this matter to the attention of the minister's officials it has been pointed out to me that it is necessary to have an extension in order to service these people. In my constituency, and I am sure in every constituency across Canada, many who live in rural sections are not receiving regular mail service because of the fact that they are just off a travelled route. While I am not sure, my understanding is that, unfortunately, in order to have an extension of half a mile or a mile in the length of a route it must be established that there are a certain number of boxholders in that district. I have been informed that there most be three to a mile.

An hon. Member: Four.

Mr. Follwell: Someone says it is four. I have been confronted with this problem on several occasions. I believe it was the hon. member for Middlesex East (Mr. White) who said that we are past the horse and buggy days in the matter of mail delivery, that in these days we do not need to use the horse and buggy or horse and cutter. My only observation would be that a year or so ago I took up residence on a rural route and now receive my domestic mail from a box on that route. I find that, particularly at this time of year, the mail carrier must use a cutter, and that he finds it tough going. In my view he does not receive a bit too much pay for the job.

The hon. member for Victoria, Ont. (Mr. Hodgson) made reference to patronage in his constituency. That may or may not be true. However, it has been pointed out to me that back in the period between 1930 and 1935, when there was another government in office, patronage was rampant not only in the Post Office Department but also in other departments of government.

Mr. McLure: Name them.

Mr. Follwell: The hon. member asks me to name them. I must admit it was a little before my time. I am talking about something I have been told by members of the opposition. I have found in my dealings with the Post Office Department that everything is treated as a straight business proposition and there is no patronage at all. I have been able to secure some redress for those who have contracts under $1,000.

The service required on rural mail routes is increasing all the time. The number of boxholders on practically all routes is increasing. People are moving from the city to the country, and new Canadians are moving into Canada and going to live in areas served by the rural mail routes. The department takes the view in letting contracts that the national average of boxes per mile must be taken into account. That seems to me a wrong principle. On some routes there may be only a few boxholders, while the other routes may cover many boxholders. I think the committee would be well advised to consider such matters as this.

I should like to bring to the attention of the Postmaster General the lack of accommodation in the post office buildings in Belleville and Tweed.

Mr. Deputy Speaker: I must ask the hon. member to confine his remarks to the proposed amendments which are to be studied by the proposed committee, and to conditions which relate to rural mail service.

Mr. Follwell: What I was about to say has some connection with the rural mail carriers. Rural mail carriers operate in all directions from Belleville, and they must sort their mail and take directions from the postmaster there. That applies also to the village of Tweed.

Mr. Deputy Speaker: If the hon. member wishes to speak about the condition of distribution centres for rural mail he would be in order.

Mr. Follwell: I should like to point out that the distribution centres are sadly overtaxed. The post office in Belleville was built many years ago to serve rural and urban communities of only a few thousand. Belleville is now a rapidly expanding metropolis with a population large in comparison to what it was when the post office was built. The accommodation has been added to by a little extension to the building here and a little extension to the building there and the putting in of a mezzanine.

The post office at Tweed has become quite active, its revenue being much higher than that of post offices in other villages and towns where new buildings have been erected for the purpose of serving the rural mail carriers. I am pleased that the Minister of Public Works (Mr. Fournier) is here, and I ask him to consider including an item in the supplementary estimates to cover the construction of new post offices at these two points.

I join with the hon. member for Peel (Mr. Graydon) in suggesting that the terms of reference of this committee should be broadened so that it can consider the whole letter carrier situation. I am speaking particularly for the carriers in my area who are members of the federated association of letter carriers. At the present time the remuneration they receive has no relation to the job they are doing. They are expected to be on the job six days a week and carry the mail whether it is snowing and freezing or 90 or 100 degrees in the shade. When compared with the rates received by those in industry we find that the letter carriers are not being treated on a comparative basis.

Letter carriers in the United States receive $4,300 a year as compared with approximately $2,850 received by the letter carriers in this country. I point out further that the letter carriers in the big country to the south work a 40-hour week whereas the letter carriers in Canada must work a 44-hour week. There is some suggestion that the two-a-day mail delivery will be restored. If that is done it will mean that the duties of the letter carriers will be much heavier than they are at the present time. I ask this committee which is to be set up to consider bringing the pay of letter carriers into line. As hon. members know, the letter carriers constitute the public relations department, not only for the government but for parliament as well.

Mr. Deputy Speaker: The hon. member has been referring to letter carriers, which is a considerable distance from rural mail delivery, the subject of the resolution.

Mr. Follwell: I should like to conclude by suggesting to the Postmaster General that this committee consider all phases of the rural mail service and possibly be given an opportunity to look into the wages being paid to our letter carriers.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, I have been waiting patiently all afternoon to take a small part in this discussion on rural mail delivery. I want to bring a particular matter to the attention of the Postmaster General (Mr. Cote) this afternoon because I know he has a special interest in the area which I represent, after having received such a cordial welcome during his visit there last July. I understand it was the first time in a good many years that we had been honoured by a personal visit from the Postmaster General.

I agree in a general way with the remarks of the hon. member for Peel (Mr. Graydon), but the problem I wish to put before the minister—perhaps we will be able to discuss it later in the committee—is almost the reverse of the difficulty the hon. member for Peel mentioned. He referred to the problems that have arisen with the development of suburban communities. On the prairies we have the reverse process. As our rural areas have tended to become depopulated and our farms to increase in size, there has been a tendency for some of the rural routes to become uneconomic to operate.

This matter came to my attention quite recently in a specific case when the rural delivery service from the town of Alexander, Manitoba, was abruptly stopped. Apparently the tender submitted for the particular contract was $1,250, but the Post Office Department thought the route could not be operated on an economic basis for more than $1,000.

As I listened to the discussion this afternoon, particularly on the resolution which was before us, it occurred to me that the solution being sought might in some way assist in this problem that is peculiar to the prairies. The matter will have to be considered in the committee; but if the present trend continues and our farm population continues to move towards the cities or suburban areas and as a result farm units become increasingly large, then it may mean that there will have to be further cancellations of service if the situation is only going to be considered on the basis of economic distribution. Such a result of course would not increase the attractiveness of life in rural areas. No doubt the minister is aware of this situation. I think it is of sufficient importance to command the attention of the committee.

I do not know whether I should mention at this time matters pertaining to what have been described as distribution centres, but they are of interest to me. If I can refer to the post office at Brandon as a distribution centre for rural areas, I should like to point out that there has been an appropriation on the books for the past three years—this concerns the Minister of Public Works (Mr. Fournier) too—for the expansion of facilities in that city. There has been some considerable delay in carrying out the contemplated program. During the minister's delightful visit to Brandon I think he had a chance to realize the situation, and no doubt the appropriation that has been on the books for three years now will be used in the very near future to correct it.

Mr. T. J. Kickham (Kings): Mr. Speaker, I wish to congratulate the Postmaster General (Mr. Cote) on bringing in this motion providing for the setting up of a committee to consider ways and means of assisting rural and urban mail carriers. In my constituency they are practically all rural carriers.

In 1951 I brought in a resolution asking that rural mail carriers receive greater consideration from the Postmaster General. Discussions were carried on with the former postmaster general by myself and other members, and in the session of 1951 legislation was passed making provision for assistance to veterans receiving $1,000 or less. That assistance has proved to be generally quite satisfactory. The committee now being set up will have discussions on ways and means of assisting rural mail carriers now receiving $1,000 or over, and I am quite sure the revision of the legislation that is to be made will be as satisfactory as were the amendments to the Post Office Act of 1951.

As I sat and listened to the remarks of the hon. member for Hastings South (Mr. Follwell), I fully agreed with what he said about doing away with the present restrictions on the service to rural people who reside on byroads that are not now served by regular rural mail routes. I believe the minimum requirement now stands at four boxholders per mile. In many cases that is working a great hardship on people living off established mail carrier routes. The tendency in rural farming and fishing areas today, especially in farming, is toward larger holdings because the mechanization of farming has brought about the absorption of smaller farm holdings. Therefore the result is that there are fewer residents per mile. When you consider the service the Post Office Department renders to people living in urban areas, who have two and three mail deliveries a day, while on the other hand there are people in rural areas who are not being served at all, or other cases where the woman of the household has to walk two miles to a mailbox, to me it is just not fair. We need these people in the isolated areas. They are producers. I feel quite confident that when this matter comes up for discussion in the committee the Postmaster General will give these people the fullest consideration.

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, to conform with the very judicious advice given a few moments ago by the chairman, I felt it my duty to refrain from speaking at that time. I trust, however, that I may be permitted to say a few words on the motion to set up a committee.

Previous speakers have spoken at some length about the situation of rural mail couriers, which it is desired to readjust by a method that might be more satisfactory but that could also prove somewhat dangerous for the minister himself, in spite of the fact that he is a man of good will.

The Postmaster General (Mr. Cote) will not deny, I am sure, that, as a rule, rural mail couriers are not sufficiently paid for the work they perform. It is easy to say that they themselves set their own price. However, because they are free to quote a price according to their own judgment, things are not always as simple as that.

What usually happens is that someone in the postal district where tenders are called decides to send in his own tender. He has learned somehow or other what was the amount of the contract of the previous mail courier. Once his contract is secured, he soon realizes that the scope of his responsibilities is much more extensive than he first imagined. His plight becomes unbearable. He makes this situation known to his member who, I imagine, passes his request on to the minister with the grievances of the man concerned. During the period which preceded the nomination of the present minister, as far as I know, the minister used to answer invariably, "Very well, if the holder of the contract is not satisfied, let him drop his contract and it will be up to him to put in a new tender". That was not a solution to the problem. Let us hope that the procedure for obtaining a contract under the bill, which has just been read for the first time, brings about a practical solution to this problem.

I would like to add only a few words in connection with another aspect of this question, which I will no doubt be able to discuss since the committee we are being requested to form will no doubt be able to look into the operation of rural mail services.

I am thinking now of the extension of rural mail service to rather distant parts of some concessions. In these concessions are sometimes to be found two, three or four farmers who do not enjoy rural mail delivery and who are therefore in a very difficult position indeed.

I understand that the minister is bound by the present regulations and that he can do no more, in spite of his good intentions. Unless I am mistaken there must be at least four or five residents over a one-mile stretch before these people become entitled to rural mail delivery. The farmers, moreover, it must be remembered, do not enjoy the privilege of going to the post office on Sundays since these are now closed. Formerly they were

open before or after high mass, sometimes in the afternoon and certainly in the evening, so that these people could be sure of meeting there to transact their postal business and many other things. But this is all over now. On the other hand the farmers do not have as many occasions of going down to the village as they had in former days. They generally sell their produce on their own doorstep and the things they buy are generally delivered there too. So that they must make a special trip of four, five or six miles to post a letter or get their mail, which they now receive quite frequently, for today our farmers read the daily newspapers.

For these reasons, I think that the rural mail service should be extended, that there should be a means of making a thorough survey of the situation, precisely during the proceedings of a committee such as the one we propose to establish. There should be a means of correcting this anomaly so that the farmers, even those who live in remote areas, may receive their mail if not every day at least every second day.

You will allow me here to quote a fact. A group of four farmers have established themselves on the land of their forefathers on land which had been opened up a few generations ago. Now one of these farmers sold his land and settled elsewhere for the one and only reason that he had no access to a daily postal service.

I trust that, knowing the minister's good will, it will be possible, when this matter is studied in committee, to correct this situation.

(Text):

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, I think it is a matter of very great satisfaction to all members of parliament and to all parties in the house that the Postmaster General (Mr. Cote) has finally acceded to the oft-repeated request made not only by members of the opposition but by other parties as well to discuss this matter in detail, particularly as it applies to the general administration of rural mail delivery and the problems of the couriers. I think this is the first time a real attempt has been made to deal with this matter, which has never been given the attention and consideration that it should have received. It involves a group of people that have served this country and the postal department very ably.

I think I express the views of members who have a knowledge of the responsibility, the work and all that is involved when a rural mail contract is signed. When we think of the thousands of people who day by day loyally carry Her Majesty's mail during winter and summer, through sunshine and storm, we realize that these people feel that above all the mail must go through. We must consider that in carrying out their duties these people handle millions of dollars worth of securities and papers. We also must associate with them, Mr. Speaker, those who serve urban municipalities in a like capacity. We find that there have been very, very few cases where mishandling or misappropriation of funds has been charged against those people. I think it is very commendable that such is the case.

An hon. Member: There are no horses in the mail bags.

Mr. Catherwood: I think it has been proved that these people have been honest and loyal in carrying out their duties.

As was mentioned by the hon. member for Middlesex East (Mr. White), the post office does serve all the people of Canada, regardless of whether we are rich or poor, regardless of our station in life; we are all treated alike in the service we get from the rural mail couriers.

I trust that the committee will go into all aspects of the work very thoroughly, and deal not only with the service of the couriers but with the other services which can be rendered by this department.

I hope serious study will be given to the possibility of bringing in a recommendation that rural mail couriers should come under some form of civil service provision. That may not be possible, but every member of parliament who represents a rural constituency knows of individual cases where these men have been carrying the mail ten, twenty and thirty years or even more but are not in a position today to even buy a late model car with which to carry out their duties. I think it is an indication that, as we all agree, these men are not receiving sufficient remuneration. It does seem to me that for service in this field some more permanent policy should be put into effect to at least in part compensate them for their years of work. A system might be inaugurated whereby after five years of proven service a pension plan would be open to them. A general scheme might be worked out uniformly on a mileage basis with due consideration being given to conditions in the locality or municipality.

If we could eliminate the tender system that is presently in effect I think we would be taking a step which would greatly advance the situation, considering all the responsibilities and the duties which mail couriers are called upon to perform.

There are many other details which I hope and trust will be gone into very carefully

by the committee which has been set up for the purpose. We realize that the problems are most perplexing and most difficult. They will not be solved too easily. This committee have a big job to do, and they will be required to undertake a full analysis of the many factors which will arise during their deliberations.

I cannot help but feel that this legislation is a step forward, and I hope it will at least partially solve the situation that should have been faced years and years ago. I trust also that it will eliminate the unfavourable factors that have been associated with the Post Office Department, in connection with political aspects which in many cases have not been conducive to what we consider good and above-board principles.

I would like to emphasize the statement made by the hon. member for Peel (Mr. Graydon) when he said that every facility should be extended to these people in order that they may come and give evidence which will assist the Postmaster General and the committee. Knowing the Postmaster General as we do, I am sure he will give them a favourable reception and that after their suggestions are heard action will be taken. As a result, Mr. Speaker, I have no hesitation in supporting a recommendation to set up this committee.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I am glad of the opportunity this resolution gives to say a few words with regard to matters concerning mail deliveries in the rural areas.

I am quite sure everyone in the house has had the same experience I have had, that when we take these matters up with the Postmaster General, particularly the present incumbent of the office, we receive pleasant, courteous and agreeable replies to our representations. They always appear to be approached in a sympathetic manner. I think it is correct to say—at any rate it is my own experience—that we are encouraged by these replies to hope that at last we have found a really sympathetic Postmaster General and that we are going to have all our requests accepted.

But unfortunately, Mr. Speaker, the realization does not always measure up to the anticipation which this extremely pleasant attitude has aroused. If therefore I am somewhat critical this afternoon of affairs with respect to the rural services, I hope the Postmaster General will not take it amiss but will realize that I am sincere when I say that we appreciate his courtesy, that we are quite ready to believe that the lack of universal success in getting our requests accepted is probably not his fault, that if it were left to him alone we would get them all, but that he is not able to do all he would like to do for us.

Nevertheless, that does not alter the fact that—in my experience, at any rate, in my constituency—the service to rural areas is far from improving to the extent which I believe it should improve, particularly when viewed in relation to the improvements in service and the speed of service in the more settled districts, but has in fact followed a retrograde course.

I have before me notes and correspondence that I have been having with the Postmaster General concerning five rural mail problems in my constituency. In the first of these there has been a reduction in the service. The second one is an effort to restore a service which was taken away twenty years ago. In the third one there has been a complete elimination of a service in existence for thirty years. In the fourth one, as the result of an alteration made in the general set-up of one service, there has been the elimination of another service, this time after forty years. And in the fifth one there is the threat of the elimination of a rural service. This state of affairs is spread throughout the whole constituency; it is not just in one area. You can therefore see, Mr. Speaker, that there is cause for concern and complaint on the part of the residents of the rural districts of my constituency with respect to the mail service which they are receiving.

I want to take this opportunity of impressing upon the minister the need of the people of these particular districts for a restored or an improved service. I have in mind, first, the matter of mail service to Beaton, which lies at the head of the Arrow lakes. It is served by a ferry boat which runs three times a week between Arrowhead and Beaton. There used to be a thrice-weekly mail service. That service has been reduced in recent months from three times a week to twice a week; and that reduction, may I say, Mr. Speaker, has taken place in the face of the fact that there is a great increase in the mining activity in that area.

I have had letters from the chamber of commerce in the district and from others concerned in the mining business, and they have impressed upon me the great inconvenience that reduction causes. I passed this information and these requests on to the Post Office Department, and as I say, we have had sympathetic letters; but so far, unfortunately, although a review has been promised, we have had no results. I want therefore to take this opportunity of laying before the Postmaster General the case of this service which at the moment is being investigated

by his inspector in Vancouver, and to ask him if he will give it his own personal attention and give the necessary instructions that the service be restored from twice a week to three times a week.

The next area is at a place called Chezacut. It is in the district known as the Chilcotin, one of the finest ranching areas in the province. It is an area which lies well beyond the limits of ordinary settlement. I am not going to say that it lies beyond the limits of civilization, because that would be going too far; but in so far as we have a frontier area left in our part of the country, it is a frontier area. The people living at this point are some sixty miles from the nearest post office. I am informed that up until 1933 there was a regular service between Redstone and Chezacut. That service was discontinued in 1933. The result is that there are several families, with at least 25 children—that was the information I received in 1950—

Mr. Brooks: Individual families?

Mr. Fulton: There are several families, and a total of 25 children.

Mr. Robichaud: That is better than the Frenchmen.

Mr. Fulton: It is a virile country. These families and children are without mail service. When I wrote the Postmaster General about this matter, again I received a letter which promised an immediate investigation; but unfortunately the investigation resulted in a report which informed me that the Postmaster General decided it would not be possible to restore this mail service. The reason he gave us was that on account of the mileage that it would be necessary to cover and the fact that there were not very many families in the district, the result would be—and I quote from his letter—that "we would show a considerable deficit as the cost of this service would be far in excess of the expected revenue".

I do not want to get into a discussion of general principles here—I will do that in a moment or two—but I just want to pause to suggest that when you are considering services to rural areas, it is not proper to place the matter exclusively on a financial basis and say that unless the service will show a profit or at least will not operate at a deficit, we will not give the service; because that attitude results in a situation which makes it almost impossible for families to live in those districts, particularly families with children where it is necessary sometimes to get word out in a hurry, in the case of emergencies, or where it is necessary to carry on correspondence courses for education. The people simply cannot get their children educated; they cannot bring them up with the amenities and facilities they should have, when most services are denied as a result of erroneous insistence on the necessity of showing an operating profit before inaugurating or continuing rural mail service.

The third case concerns Heffley Creek rural route No. 2, which is another case in which the service has been discontinued. This service was in existence continuously for some thirty years until it was cut off this summer. By constituents there, I am advised that the service was "cut off abruptly this month"—that is the month of July—"with just a note in the mailbox stating it was to be the last delivery". My correspondent goes on to say that he has four children who depend on the mail delivery for their correspondence lessons. Well, I took this matter up with the Postmaster General, and as a result of these inquiries I received a rather unusual letter from him in which he gave as the main reason for the discontinuance of the route the fact that the road conditions were poor, on account of which the courier had asked for an increase in the amount of his contract. He previously operated it for $364 per annum, $7 per trip. When the contract expired a renewal was offered, but he refused it and submitted another tender at the rate of $600 per annum, which he subsequently agreed to reduce to $550, and the department felt that that was too high. They went on to say that one of the reasons given for the rate, according to the tenderer, was the deplorable condition of the road which the tenderer said resulted in large bills for the repair and maintenance of his car.

The Postmaster General went on to say that the residents who wanted the route continued should improve their road if they really wanted a rural route. The Postmaster General does not appear to appreciate the conditions. What he is doing is to require the people, who live there as individuals, to maintain some thirty miles of road, which is of course entirely a provincial responsibility.

In British Columbia there is no longer the system of the old days—and it had its advantages—whereby the farmers living in the country areas had the opportunity of working out their taxes by doing a certain amount of road work. That system has not been followed for some time by our provincial administration, and there is no way in which the farmers, who are busy enough as it is at any rate, can keep up the road.

This seems to me to be another case in which the department just does not recognize

the difficulties under which the inhabitants of those rural areas are living. The fact that the road conditions are poor and the conditions of life are strenuous is, I submit, an additional reason why every effort should be made by all governmental authorities to do what they can to bring to the people the amenities which will make their life a little less hard, and generally make conditions under which they live a little more pleasant. Certainly the regular receipt of mail is one of the things to which people in rural areas most look forward. Here we have a condition where instead of their circumstances being improved, and everything possible to improve them being done, they are compelled to accept a worse state of affairs as the years go by, and the service which they enjoyed for thirty years has now been discontinued.

The fourth case concerns the mail service in the Ashcroft-Clinton area, the gateway to the Cariboo ranching country. Here a mail service which was in operation for forty years has been discontinued. This state of affairs came about as the result of a change in the mail service on the Cariboo highway. We had been pressing for a matter of some five years for a daily service to the main post offices on the Cariboo highway, from Ashcroft north. On September 15 last, after these lengthy negotiations, the department suddenly announced its decision to implement this service. I might say that they announced it by means of informing the residents in the Clinton area that they would no longer be receiving their thrice weekly service which they had received by a rural courier. That was the first indication that they or I or anyone else had that the decision had been arrived at to institute this daily service, by bus from Ashcroft, to the main post offices on the Cariboo highway.

The reason given for the discontinuance of this rural service is that the department will not maintain two parallel services, one a rural service to the boxes along the highway, while at the same time there is what you might call a main line service from Ashcroft, dropping off mails to the main post offices along the same route.

Well, it may be difficult to argue against that, at least in theory, but there are two observations I should like to make. The first is that I do not think it was proper that this decision should be made and implemented without any warning to anyone concerned that the result of the change—that is the institution of the daily service by bus to the main post offices—would be the discontinuance of another service. That fact had simply not been discussed. Secondly, it means that all the other rural points dependent on service from Clinton as their central post office have had their mail service changed as well, because the decision to institute the daily main post office service covers only first-class letter mail. Previously, in the area from Ashcroft to Clinton, there was the three times a week service, and in other cases once a week rural service, which carried all classes of mail, parcels as well as letters. That has been discontinued, and parcels have to go by train, with long delays, and letters only are carried by the daily service to Clinton. One of the rural services has been discontinued as a result, and with respect to the other services they receive only letters; they have to wait a very much longer time before they get their parcels.

A petition has been submitted to the Postmaster General asking that this matter be taken care of by providing that the daily service to the main post offices, which would include Clinton, should carry all classes of mail, and that a separate rural service be instituted covering the points between Ashcroft and Clinton formerly served three times a week. Whatever the method adopted, Mr. Speaker, it is a fact that the result of the change has been that a service to a rural area which contains a very large number of people, which had been in existence for forty years with reasonable satisfaction, has suddenly been discontinued.

I sent a petition to the minister covering one portion of this area, asking for the reinstitution of the rural route. I have received the usual courteous answer, but so far have had no action. Sometimes it seems to me that it takes the minister's department a very long time to get their reports, because it is well over six weeks since the matter was referred to him. A report was promised, but I have had no further word.

The final case I want to bring to the minister's attention concerns rural route No. 1 at Pritchard. Here again is a case of a route which has been in existence for many years, now threatened with discontinuance because the contractor finds it impossible to continue operating at the present rate. I must say that the residents of that route appreciate the fact that a temporary authorization was granted for the continuance of the route at a higher rate, but that arrangement is not permanent. It is merely continued at the Postmaster General's pleasure, and might be cancelled at any time. What we want there is authority for the contract at a rate which will enable a tenderer living in the area to operate without loss. Just because the costs of operation have increased—the population has not gone

down; in fact it has increased somewhat—is, I submit, no justification for discontinuing a service which is essential to those who live there. A contract must be awarded at a rate which will enable the carrier to operate with safety and certainty.

Mr. Speaker, these are five problems which concern the residents of rural areas in my constituency, so far as their mail service is concerned. I submit that each one of these could be satisfactorily settled by the application of the general principle which I maintain should apply, namely that those living in the rural areas of Canada are now entitled to priority in the matter of their mail service.

After all, the cities and urban areas in Canada would not exist if it were not for the rural areas lying behind them. If it were not for the produce of the farms, the forests and the mines of Canada we would not have any cities, because there would be no justification or occasion for them. Yet rural areas in most cases have inadequate service and exist under conditions of great hardship. Now they are beginning to find their conditions made even worse because, at least in those cases I have outlined, they have been deprived even of those meagre mail services they formerly had.

Keep in mind that city life has all the amenities. People in the cities do not have to expose themselves to an equal extent to the rigours of winter. They have all conveniences right at their doorstep. They have the advantage of mail delivery and parcel post, regular deliveries from the shops, and the like. They do not have to drive through snowdrifts on rough country roads to obtain the very necessities of life. Yet these cities, already enjoying an adequate mail delivery service, suddenly found themselves, a year or two ago, in receipt of the de luxe all-up air mail service, a service provided only at the expense of the whole country which of course includes the rural areas. I have not been able this afternoon to find the figure among my papers, but I recall that I did receive from the Postmaster General figures showing the increase in cost to the Post Office Department as the result of this all-up air mail service.

I am not suggesting that this service should be eliminated. But I do suggest that if it is to be given at the general expense of the country, including the taxpayers in rural areas; if our cities are to be given this super de luxe service when already they were enjoying a quite adequate service, then surely the rural areas should be provided with an adequate service instead of the meagre and, in some cases, totally inadequate service from which they have been suffering for so many years.

This argument of course has double application to cases such as I have outlined this afternoon, where an already meagre service is either going to be discontinued, or made more inadequate through having the deliveries reduced from three to two each week.

I repeat that if the cities of Canada can be given this super service at the general expense of the taxpayers, including those in the rural areas, upon whom the cities depend, then it is time—more than time—that adequate service be provided for those who live in the rural areas, without whose willingness to endure hardships and to go to the country and produce the things we all require there could be no existence for those of us who live in the cities.

I am sure if this problem were put to any individual living in a city he would say, "Surely; I agree with you. Let us give the farmers, the ranchers, those working in the mines and the forests an adequate service." Let us cut out this penny-pinching which results in destroying in some cases even the amenities of mail service they already had, and let us get on with improving rural service generally.

Mr. Pearkes: Mr. Speaker, I have only one problem to mention in connection with rural mail delivery. Perhaps we might call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, I should like to draw to the attention of the Postmaster General (Mr. Cote) and the committee which is to be set up under this motion a condition under which the rural patrons of the post office do not receive the same consideration as city patrons. This motion is to set up a committee to investigate the regulations and the general administration and operation of rural mail delivery services, and I feel that this is a proper place to call the attention of the Postmaster General to the anomaly which I will now describe.

When first-class mail is posted in a post office it is delivered for three cents when it can be handled through that post office. But in the case of a rural post office, where there are no walks by letter carriers, a letter to be called for at that particular office or deliv-

ered by a rural mail courier must have a four-cent stamp placed upon it. I feel that that is a discrimination against the rural patrons of the Post Office Department. The principle is that if a letter passes through one office only it is delivered for three cents irrespective of the method of delivery. In the cities it is delivered by letter carriers performing their usual walks; in the country districts it is delivered by rural mail carriers using a car or a horse and buggy in order to deliver mail to the patrons of that particular post office.

This works a particular hardship upon that large class of patrons who live in what was described by the hon. member for Peel (Mr. Graydon) as suburbia, that borderland between rural and urban communities. Let me give an example of a condition which exists throughout the dominion, and I use the city of Victoria, British Columbia, as my example.

A letter posted in the post office there to be delivered to 2000 Quadra street will be delivered by a letter carrier on his walk for three cents. But if it is addressed to 2100 Quadra street it will be delivered by a rural mail carrier and must bear a four-cent stamp. The line which is taken as the limit of three-cent postage does not conform at all to the city boundary, it is an arbitrary line which was drawn a number of years ago by the Post Office Department. It was suitable in those days, but the environs of the city of Victoria have built up tremendously, and unless one had a map with that particular line drawn upon it he would not know when he passed from the three-cent to the four-cent area.

One of the main difficulties is that a business or professional man living just over the border must pay additional postage due every time he receives any mail with a three-cent stamp upon it. Many of the city streets run through this imaginary line. A correspondent addressing a letter might consult the city or telephone directory to find an address; and if the address was 2000 Quadra street his letter would be delivered for three cents. But another person looking up another address and finding it to be 2100 Quadra street would make it necessary for the professional or businessman who might be living at that number to pay extra postage due if only three cents were placed upon the letter.

I am using this just as an illustration. I am not suggesting for one moment that 2100 is actually the number of a house on that particular street. This is the condition that exists in Victoria, and I think a similar condition exists in every rural post office throughout the land. If you deliver a letter at a rural post office, unless it is to be called for at the post office it can be delivered only by a rural mail carrier. Although it goes through only the one office it must have a four-cent stamp on it. Surely the principle is that if a letter is posted in one office to be delivered to a person through that office it should require only three cents. If it is to go through two offices, naturally there should be a four-cent stamp upon it.

Surely the matter of delivery is not of prime concern. If it is possible to deliver a letter for three cents through one city post office to addresses in that city, that letter being delivered by hand at the door to the person to whom it is addressed, surely the same privilege should be granted to the rural patrons of the post office. When they receive a letter which only goes through one office it should be possible to carry it to them for three cents, no matter what the method of delivery is.

I would therefore ask the Postmaster General to give this matter his consideration, because there is an anomaly there. There is great difficulty with the borderline cases where the Post Office Department has drawn an arbitrary line between letter carrier delivery and rural courier delivery. A person writing a letter cannot tell where that line is, and it is a hardship on the residents of the kind of area which was described as suburbia today by the hon. member for Peel.

These people are very definitely handicapped because they have to pay the amount of the postage due stamps, and in the case of business and professional men it sometimes amounts to quite a large sum. I cannot help feeling that it is only fair that rural patrons who receive their mail through one office should not be required to pay more for the delivery of their mail through that one office than a city resident has to pay for the delivery of his mail through one office. I hope the Postmaster General will give the matter very careful consideration.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I shall be very brief. I want to speak on behalf of the rural carriers in my riding. I am not worried, as was the previous speaker, about whether my pre-election speeches will be delivered at any particular rate. It is rather amazing to me that a member coming from a district adjacent to Victoria would want anything delivered except an obituary notice, which would be customary in the city of Victoria.

I do want to say that I think the system is wrong under which rural carriers are operating at the present time. I do not know

what the solution is, but I believe a committee of the house might consider the matter and arrive at some decision satisfactory both to the public and to the carriers. Unlike my friend from Nanaimo, I am not worrying about whether it costs three or four cents to send my speeches to my constituents because I would prefer, as I think he should, that they do not get there.

I think the present system is not good for the public or the carriers. I know that in my own riding people have bid for carrier routes at rates at which they could not carry out their contracts profitably. I think they bid on them knowing that they could not be carried out at the rates at which they tendered. What the solution is I frankly admit I do not know; and I am perfectly sure that the hon. member for Nanaimo, with all his vast carrier experience, both pigeon and otherwise, does not know the solution. However, I believe the matter could be referred to a committee.

I want to say that I think the present system on the contract basis is entirely wrong, and that a committee should be set up to study it.

Mr. A. J. Brooks (Royal): Mr. Speaker, I do not intend to take very much of the time of the house because this subject has been thoroughly discussed. Neither do I wish to embarrass the Postmaster General (Mr. Cote), but may I say that I agree with the many kind things that were said about him this afternoon. I am sure that his genial manner and pleasant smile are going to help him a lot in his portfolio. I also feel he is not likely to fall into some of the errors that his predecessor committed.

I am pleased that a committee is to be set up. Such action has been recommended before in the house, and I think a committee can do a lot of good. People from all parts of Canada will come before the committee to express their views on this most difficult problem, and I know that good results will attend the work of the committee.

There are many problems, and having listened to the members who spoke this afternoon one realizes that the problems are the same in practically every constituency, particularly the rural ones. My own constituency is about 80 per cent rural, and I think it has as many rural mail routes as any other constituency in Canada. The great problem in the past has been the difficulty of the courier in obtaining suitable compensation for the work he was doing. I think this situation has been brought about by the keen competition for these jobs. Why there should be such keen competition is hard for me to understand because, as has been pointed out here, it is a very difficult and important job, and the mail couriers certainly have to cope with the weather and many other difficulties.

I agree with what was said this afternoon by a number of members from rural constituencies about people in the rural districts not receiving the same treatment as those in the cities. To my mind there is no reason in the world why a city district should have two daily mail deliveries whereas in some country districts they only have three mail deliveries a week. I think that is most unfair, and as long as that situation prevails there is going to be a great deal of dissatisfaction throughout the country. I also believe that, while the present system of obtaining mail couriers is obsolete and unsatisfactory, we must be very careful not to institute a system which will be on a patronage basis. I think such action would lead to much difficulty and abuse. When the committee meets I am sure it will give this matter very serious consideration.

I should also like to point out to the minister with respect to rural mail delivery that I believe one of the reasons a good many people are leaving the country districts today, especially the back country areas, is the fact that they are not receiving sufficient mail service. People in the cities have their radios and now their television sets, and they have two daily mail deliveries; but people in the back areas are only getting mail two or three times a week. They cannot have their daily papers and this all works great hardship on them.

I am not going to worry the house this evening with the many problems I have in my own constituency. There will be opportunity to do that later. I have already brought many of them to the attention of the department and some have been corrected, while others have not. I would like, however, to read to the house a typical letter which I received some time ago which illustrates, I think, the problem there is in the country. This has to do with . . . . rural route No. 2. The writer says:

> We have had no mail driver on this route for the past four months. Our mail driver gave up the route because it did not pay him. I understand that a tender went in, approved by the local executive, but that Ottawa would not contract. I presume that the authorities figure it on a mileage basis but it is more than that.
>
> The driver leaves at ten a.m. in order to have the mail at ..... by eleven o'clock. Then he has to wait for two trains and the sorting of the mail, getting home about five p.m. Thus, it takes his whole day for a thirty-mile trip.

That is an indication, Mr. Speaker—and there are many—why you cannot stick to

any hard and fast rule as far as mileage is concerned. This man spends his whole day and he should be entitled, as I am sure the minister will agree, to a full day's pay. The result in that district was that they could not get a man to drive the mail on the basis that is now in effect. The writer goes on to say:

> I believe we have a right to the same service that we are helping to pay for in the rest of Canada and ask that you advise us at your earliest convenience what we are to expect for we have been slighted too long.

That is just an indication of the feeling of many people in many sections, not only of my own province but I am sure all across Canada.

As I said at the outset I am certainly well pleased that the minister is setting up this committee, and I believe these many problems will need to be carefully considered. I also feel certain that some solution can be found.

Mr. G. M. Murray (Cariboo): Mr. Speaker, I have a couple of points that I would like to bring to the attention of the minister with respect to our particular part of Canada. One of them has to do with air service. I think you should use aircraft more than you do now in servicing these rural routes. An aircraft based at the international airport in Vancouver, running due north through the Cariboo, I am prepared to say, could on a daily run carry all the mail more cheaply than it is being carried today, shuffling it over the railways, back to Edmonton, up and down the P.G.E., the C.P.R., the C.N.R and the other railways, carrying mail clerks and adding unnecessarily to the cost of getting mail over the rural routes. I hope you will study that suggestion and either make contracts or put on your own mail plane from the international airport at Vancouver to say Whitehorse and back, on a daily schedule, so the mail may be delivered promptly and smartly from the central office to those industrial districts along that route.

I think the minister might well consider establishing a base rate for all road transportation of mail. The public utilities commission in British Columbia will establish the cost of hauling goods from one point to another, at so many cents per ton mile. For motor transportation it could be accurately established and it might very well be considered, when calling for tenders, whether the department could say that the base rate would be so many cents per ton mile. From there on it would be a matter of efficiency and people could compete in any way they liked, but we should not send the mail at less than the actual cost to the man doing the work.

Up in our district it is difficult to get couriers to carry the mail from the central office out into the country. They are throwing up their contracts because they do not want to work for nothing. After all, the cost of gasoline, tires and so on is standardized. Everybody knows what they cost. Even hourly labour rates are well standardized. The department could say that in a certain area the base price would be so much. If the work could be done for that, all right; if not, more would have to be paid.

As I say, a good many of those people delivering mail in my area are doing so just out of a sense of duty and service. They are losing money on every load they carry. In that connection I would say that the British Yukon Navigation Company is carrying mail on the Alaska highway from railhead to points in the Yukon at very much less than the actual outlay they are forced to make in order to carry that mail. They are doing that as a service to people along the way.

The government of Canada should not depend upon charity. We should pay these men a fair sum for the work done, and it can be reckoned very easily these days when costs are so well known.

I want to commend the department for the good work which they are doing. I think the minister is following in the footsteps of that great Liberal, Sir William Mulock, who introduced penny postage and who was such an ornament in this house and such a figure in world history when he occupied the position which is now so honourably occupied by the minister.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, a good many members have entered this debate, and it has now become a wide open debate on postal matters. I suppose we can deal with pretty nearly any part of the Postmaster General's department which may have come to our attention.

The resolution to set up a committee to deal with postal courier matters and other things in connection with the postal department is one for which we on this side of the house have agitated for a number of years. Now we have the support of both sides of the house, and we have the assurance of the Postmaster General that he is in favour of this committee which, particularly, will study rural mail couriers to see that those men, who are great servants of Canada, get what is fair and just treatment.

We all know what the mail couriers have gone through in the years of service which some of them have given. We all know how niggardly they have been treated with regard to salary, but they have not been niggardly

in the time they worked, in order to make even their small salaries. We know that no other class of servants of the government has given such service as have these mail couriers who are now being given consideration by this house. We hope to see that they receive something in the way of salary which will be adequate remuneration for the good work they are doing.

When speaking about postal matters, the first thing that comes to my mind regarding my own constituency is the post office building that has been promised to us for over ten years. It is dangling again because of the fact that an election is not far away.

Mr. Deputy Speaker: I presume the hon. member is only making a passing reference to post office buildings.

Mr. Knowles: That is all the government is doing about them too.

Mr. McLure: I just thought that possibly it would be well, Mr. Speaker, to remind the house that I had not forgotten the promises that have been made for ten years or more. That is all I shall say about this dangling of the new post office building.

There are several things I want to speak about tonight and bring to the attention of the new Postmaster General. One is the manner in which we have been treated as a postal area in connection with mail couriers. As a postal area, the province of Prince Edward Island has not had the attention it should have had. For instance, we do not have a divisional controller, nor do we have a postal zone like Nova Scotia or New Brunswick. Instead of having a postal area and a post office division of our own, we are hitched on to the province of New Brunswick. We have the same set-up, nevertheless we have no control, as it were, of our wants.

At the post office at Charlottetown we have some of the best postmasters and inspectors, and the whole staff are excellent as I know the Postmaster General will find out if he has not already done so. We have an excellent staff there. Yet if some rural post offices want some little item in order to complete their rural post office work, they come in and, instead of being able to get it right there in Charlottetown, they have no say in the matter. The first thing they say is: We have to find out from Saint John, New Brunswick. They write or telephone to Saint John and the Saint John man says: No; there is the controller at Moncton to whom I have to go. So they go again from Charlottetown to Saint John, then from Saint John to Moncton, and then the Moncton controller has got to go back to Ottawa. Probably by that time they have forgotten all about what they needed, and nothing more is heard about it until another person comes in.

Mrs. Fairclough: The usual runaround.

Mr. McLure: I mention this matter because we, as a province, should have the same treatment as the other provinces receive. We should have control of our own postal affairs. We have been neglected in this matter. It seems to me that the Liberal party, knowingly or otherwise, like to take these things away from our province, if they can possibly do so, in order to make it smaller.

I want to call to the attention of the Postmaster General the fact that his predecessor went one better than that when he was advertising postal matters all across Canada and in the United States. What did he do but get out a map of Canada and leave Prince Edward Island off the map altogether. All hon. members will remember that incident. It cost a great deal of money to rectify that error, because the contracts had been made and the government had to cancel the contracts and pay for them without getting the advertising.

I now want to deal for a few minutes with another little matter that I desire to bring to the attention of the Postmaster General, namely the stamp vendor's position in the post office at Prince Edward Island. There is a stamp vendor there who has been employed by the government for a number of years.

Mr. Deputy Speaker: Order. I think the hon. member is under a misapprehension.

At the opening of his remarks he was quite right when he said that he could discuss postal matters in a general way. But I want to restrict him by adding "only inasmuch as they refer to rural service". I should therefore like him to confine his remarks to that aspect of postal matters.

Mr. McLure: I was under the impression, Mr. Speaker, that earlier today when the first resolution was before the house for consideration a limit was set, and that those who kept within those bounds were all right at that time. I understood from Mr. Speaker that when the second resolution came up for consideration the sky was the limit as long as the discussion was on postal matters. However, I am quite agreeable to leaving this matter open.

Mr. Deputy Speaker: Perhaps I should clarify what I said this afternoon. If the hon. member reads the resolution which is now

before the house he will find that the first two lines are as follows:

That a special committee be appointed to consider the bill, an act to amend the Post Office Act—

The resolution which we studied this afternoon was one preceding the introduction of this particular amending bill; I therefore suggested that those who wanted to say anything about the amending bill could perhaps say it on this resolution which is also to be sent to the committee for study.

Mr. McLure: I would take it, Mr. Speaker, that we are to confine ourselves more to the rural mail couriers, and that we can elaborate possibly a little bit more on that matter. However, I think at some stage during this debate there should be a time when we would be able to bring forward certain matters that are worrying us, more or less, with regard to the postal department.

Mr. Gauthier (Portneuf): That can be done on the estimates.

Mr. McLure: I hope we shall not have to wait until the close of the session to bring these things to the attention of the house.

A few moments ago I was speaking about the mail couriers and saying what a wonderful class of citizens they are. I am dealing more particularly with the constituency of Queens. In that constituency the great trouble we have always had with reference to mail couriers' contracts has been the great discrepancy between the various mail routes. No matter how much alike they were, in the granting of contracts these differences came into the picture. As an illustration, let us consider contracts for routes covering only eight miles. They were only small contracts, yet in those contracts there was a difference of as much as $120 a year. That was on an eight-mile contract. Then we come along to the nine and ten-mile contracts. Here the discrepancy goes up according to the people who have the job of driving the mail. The discrepancy goes up to $210 on a distance of ten miles, with the lowest-paid courier serving 50 per cent more boxes than were served by any two of the others put together. Yet he is paid $210 a year less.

I want the Postmaster General to remember some of these things when this committee is set up; and I want him to see that the committee endeavours to get as fair a remuneration as it is possible to get for each mail route. Now we come to the twelve and thirteen-mile contracts. Under this system that we have there is a difference of $250 on a considerable number of contracts. Surely there should not be that much difference. On a fourteen-mile route we have a difference of $320 per annum on a small contract of $900.

These discriminations between the different contracts and contractors run as high as $650. These contractors give practically the same service. Some of them work on highways on which they can use automobiles possibly ten months in a year. I hope the committee will take that into consideration. Some of the contractors I have mentioned must have not only a small truck to deliver mail in the summer time, but in the spring they must have a horse and buggy, or a horse and wagon, and in the winter time they must have a horse and cutter. Therefore they all have a certain amount of expense. When the expenses of most of the couriers are calculated, together with the cost of everything they have to buy, such as feed for the horse, horseshoeing, harness repairs of different kinds, as well as the expense of an automobile, and so forth, very few of them make a decent daily wage.

Why are we limited in what we may say in regard to these contractors when we are discussing this new legislation that has been sought and is to be introduced, that will put into the hands of the Postmaster General the right to bargain with the mail couriers on all contracts under a thousand dollars, and some over that amount as well? This is giving too much power to one man. No matter how good a man he may be, power is being put into his hands to enable him to work in the interests of the party to which he belongs. He cannot help but take into account the interests of his own people when it comes to making mail contracts.

I am not going to labour this question any longer. There are many things I should like to say but I will abide by your decision, Mr. Speaker. I hope that later on the Speaker will permit me to say what I have to say to the Postmaster General. I now want to give him a word of advice. We had a Postmaster General not so long ago who on several occasions promised us that a committee would be set up, but it was never done. We now have an hon. gentleman who in his first speech to this house as Postmaster General told us that he was going to have it set up. He is therefore in right with all the people across this country who favour working in the interests of the mail couriers.

I have one further word to say to him. I should like to see him cut clear entirely from politics because my memory of his predecessor amuses me, especially in connection with his political career. He has been promoted to something higher, and we have

to leave him in peace. I hope our present Postmaster General does not follow in the footsteps of his predecessor.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, I do not want to prolong the debate, but as I am not on the committee—and I am not blaming anyone for that—I would like to make a few suggestions now.

First, when the time comes to award contracts, we often receive representations, especially when the said contracts concern two adjacent territories, because there is a discrepancy of $200 or $300. It sometimes happens that people put in such or such a bid because the roads are bad during the winter. Quite often, also, the rural mail courier has to beat his own way in the morning after a storm; that is not very interesting. That man must have a better horse or better equipment. That is why the amount of his tender is a little higher.

Secondly, sometimes there is a request for a box at the end of a road and the minister replies that the distance is too great between the last box on the route and the one asked for. Therefore, I would ask that the distance prescribed be increased because the man who happens to live too far from the last box to be able to get one himself seems to be somewhat neglected, and although he might have the best disposition in the world, he feels inclined to criticize the department; however we do not want this to happen because the department does its best to please everybody.

Thirdly, when there is a request for sorting frames used in preparing the mail to be delivered the next day, it seems only fair to me that those sorting frames be sent to the post office as soon as possible, so as to make things easier for the couriers and enable them to do a good job.

Fourthly, we would ask the public—and we have the right to do so—to co-operate with the rural couriers so that, in winter, when the snow piles up, the latter are not obliged to shovel a path to the owner's mail box. As often happens, even if the courier asks the owner to clear his walk, the owner does not bother to do so. We would like the department to ask the general public to make the work of the rural mail courier somewhat easier since the latter is deserving of much attention and much praise for the way in which he goes about his business.

Now, again, there is the matter of one mail route in one parish encroaching upon another parish. For instance, there are people in Les Ecureuils who have to have their mail addressed to Neuville since they are served by the Neuville courier, whose circuit extends to the parish of Les Ecureuils. It seems to me there should be a way of preventing the rural mail route of a parish from extending into the neighbouring parish, and even more so when a route passes from one constituency to another.

These are the only remarks I wished to make, Mr. Speaker. I hope that I have not taken too much of the time of the house and that the minister will forgive me for having detained him for a few minutes.

(Text):

Mr. Daniel McIvor (Fort William): Mr. Speaker, there are three things I want to say. I have found that the salaries paid to those who work in rural post offices are very low, amounting to $13 and $15 a month. We know that an expert woodcutter, cutting wood in the bush, can earn more in a day than would run those post offices for a month. We do not think they get enough.

The second thing I notice is that this is legislation to amend the Post Office Act so that we shall have deliveries twice a day. I will not push that very far, but we need that in the cities and the Postmaster General knows it.

As I mentioned this afternoon, Mr. Speaker, I think this way of choosing civil servants by contract has become obsolete. Why cannot these men or women be chosen in the same way as other civil servants are chosen? They have responsible jobs. Why can they not be chosen by examination? I hope this suggestion will be considered.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, it is not my intention to take much time in the discussion of this motion. I find myself deeply interested in it, and it is one with which I can say I agree.

I could spend some time in bringing to the attention of the Postmaster General (Mr. Cote) problems of my own constituency, just as other members might do. Thus far my contact with the Postmaster General has been most pleasant indeed. I am sure no one could have extended greater courtesy to me. I have not bothered him much because not long ago he told me legislation would be brought down which he hoped would meet many of the problems not only in my constituency but across Canada as a whole.

I believe this motion to set up the committee is a move in the right direction, provided the members of the committee really get down to business and make an effort to find a method for the proper appointment and payment of rural mail couriers. This

is not going to be an easy matter, because I suppose that conditions vary throughout the country. Different conditions will be found in different constituencies. Perhaps it will not simply be a matter of setting down a basic rate per mile.

In my own constituency, for instance, in the summer the rural mail courier can carry out his task without any great difficulty. But in the winter time he faces an entirely different situation, and it is not unreasonable that, to be properly compensated, on his thirty-mile route he should receive more money than would another rural mail courier with a route of fifty or sixty miles. The man in my vicinity may have to plow his own road a good part of the time in the winter months. When the snow is blowing he is not going to have good roads. On the other hand, on other routes the roads would be plowed and there would be no difficulty of this kind.

All these points must be considered. As the hon. member for Peel (Mr. Graydon) said this afternoon, I hope the committee will consider the requests of rural mail couriers from outlying districts. Not only should they appear from the Ottawa area; they should come from both the east and the west, so we may find out some of their difficulties. These will not be easily solved. It is my view, however, that in setting up a committee we are going about it in the right way.

If I understood the Postmaster General correctly, the bill introduced this afternoon will not become law until after the committee has made its recommendations. If it were to go through in its present form I am afraid it would prove to be only a temporary solution. While I am very much in favour of an upward adjustment of the fees or remuneration of rural mail couriers, I feel there must be safeguards. These will have to be considered by the committee and dealt with in its recommendations. Not only must there be safeguards for the couriers; there must be safeguards for the public as well. At the moment I have on my desk a petition in this connection. I have in mind a case where the regular mail delivery is on Wednesday but, because of a storm, the roads are impassable. Then Thursday is a holiday. Friday is another stormy day, with the result that the people in that area have received only one mail delivery that week instead of three. This is not uncommon.

In some areas the delivery is daily. Yet there are other areas just as thickly populated, and entitled to just as good delivery, where they have only three deliveries in a week. The committee will have to get to the bottom of these conditions. As was suggested by the hon. member for Peel, it would be preferable to have a percentage of the witnesses come to Ottawa. They could be chosen from various areas across the country, and permitted to tell their story to the committee.

I could make some comments about discrimination, and many other subjects. However, after having listened to other hon. members who have spoken in the debate I think there is no need to repeat what they have said. I can state, briefly, that I am very much in favour of setting up the committee, and I express the hope that it will go into the situation thoroughly. I am of the opinion that the Postmaster General is looking for a solution. Having talked with him I am satisfied that he is sincere in this matter, and that he wishes to bring down legislation which will remedy the conditions from which the rural mail couriers are suffering. It is imperative that they be treated fairly in the matter of the compensation to which they are entitled.

I believe that is all I wish to say, Mr. Speaker.

Mr. G. T. Fulford (Leeds): Mr. Speaker, it is not my intention to delay the proceedings of the house for more than two or three minutes, because I feel that everything that could be said on this subject was said this afternoon. The debate will have shown the Postmaster General (Mr. Cote) the arduous task ahead of the committee in separating the wheat from the chaff.

Excellent ideas have been put forth in the debate. I think all hon. members representing rural constituencies owe a debt of gratitude to the minister for setting up the committee. I do not think there is one of us who is not worried over the inequalities of the present system. Each of us has in the back of his mind some solution to overcome those inequalities; indeed, we have heard them discussed today.

I trust the present system will be superseded by one that will give the rural mail couriers a fair return on their investment, a fair return on the amount they put into their cars and equipment, or the sleighs they may have to use in the winter months. I trust some formula can be devised, based upon the length of the route, the number of boxes along the route, the condition of the roads and the like. When a man seeks a contract or is given the duty of delivering the mails he will then be assured of at least an honest and fair return on the amount he must lay out for equipment and for the time he must spend at his work.

Urban mail carriers are required to pass a civil service examination. As far as the

appointment of rural mail couriers is concerned, I think we should do away with the objectionable patronage that enters into these appointments and have civil service examinations set for these people, bearing in mind always that they should receive an adequate return on their investment and for the time required to carry out their duties.

(Translation):

Mr. A. M. Robichaud (Gloucester): Mr. Speaker, on the subject of this resolution, to which I give my entire support, I wish to point out to the Postmaster General (Mr. Cote), inasmuch as this resolution, which relates to the functioning of the rural mail delivery, applies to my riding, first a deficiency in the rural mail delivery in the constituency of Gloucester and, secondly, a gross anomaly in the present system.

I said a deficiency. According to the figures in the last report, or the directory published last December by the Post Office Department, 9,721 family heads are served in my constituency by your department. Of this number, 782 family heads get postal service through rural mail delivery. We have only 7 rural routes in the vast county of Gloucester which is unquestionably the largest rural constituency in the whole province of New Brunswick.

As I say, we have only 7 rural routes and only 7 per cent of our postal population, if I may use such an expression, is served by rural mail delivery. That is, in my opinion, a deficiency, and that is why I do urge the hon. minister to pay special attention to Gloucester county whenever representations are made to him for the establishment of new rural routes or new rural mail delivery systems. Frankly we have been rather sadly neglected up to now, as can readily be ascertained by the department's own figures.

I therefore wish to call the minister's attention to the case of the Canobie district, to which I have already referred in a letter which I wrote him on November 24 last. I would call the minister's attention to the fact that in the Canobie area there is, at present, one district that enjoys rural mail delivery. Now in this district there is one place called Springfield whose people have no service at all. There are no boxes in that district. There are 5 farmers, 5 families without any postal service at all. Moreover, there are in that same district 13 new settlement lots; this means that in the very near future there will be 18 farmers in the district of Springfield which, up to now, has had no postal service.

[Mr. Fulford.]

The same situation prevails in the western section of the Canobie district, known under the name of Doucetville. There is not a box at Doucetville. There are nonetheless between 10 and 12 good farmers without any postal service. The people from both Springfield and Doucetville must walk a distance of nearly a mile to get their mail in the boxes of neighbours who are charitable enough to allow the mail of these people who have no postal service to be deposited in their boxes.

In reply to my letter, the minister stated that my requests would receive serious consideration, but to date no decision has been made. I believe it is about time we had a formal decision from the department, so that we may know whether something can or cannot be done for those people who, I repeat, are without any service.

May I also bring to the minister's attention the very special case of two islands, Shippigan and Miscou islands, situated in the northwest part of my constituency. The situation there is quite unusual and, during certain periods of the year, especially in the spring and in the fall, mail services are completely inadequate. For those reasons I beg the minister to give special consideration to the matter when a request complying with the requirements set forth in the postal regulations is made to his department for the establishment of a rural mail service on Shippigan and Miscou islands.

There is another special case to which I want to draw the minister's attention; it is the case of the present post offices at Sormany, Nicholas Denys and Madran. These three post offices are located in a district which at present draws considerable attention from all those who are interested in the stock market across Canada, because they are located in the district where gigantic mining developments have taken place recently in the northern part of New Brunswick. I believe that in the near future requests will be made for the establishment of a rural mail delivery service in this new mining district and I do hope that the matter will be given special attention when that request is made.

There are other concrete cases which I would like to bring to the department's attention. I shall mention but one. It is the case of the new settlements of Allardville, D'Aulnay and St. Sauveur, where, as yet, no rural mail delivery service has been established; before long, a request will be submitted to the department to that effect.

I said there existed an anomaly in our district, and here it is. When I began these remarks I pointed out that, all told, 9,721 heads of families, according to the department's own figures, enjoyed postal service. Now 1,879 of these are English-speaking and 7,842 are French-speaking. That is to say that, taking the population of my constituency as a whole, 19·2 per cent are English-speaking and 80·8 per cent are French-speaking. Nevertheless rural mail delivery, which serves 782 heads of families, can be broken down thus: 443 English-speaking heads of families have it at present as against 339 that are French-speaking. That is to say that the current rural mail delivery system in the county of Gloucester serves English-speaking heads of families in the proportion of 56·6 per cent, whereas our French-speaking heads of families are served in the proportion of 43·4 per cent only.

Compare, Mr. Minister, this proportion or rather this disproportion with the figures I gave you a moment ago concerning the heads of families who are served by the postal services, and you will have there what I had reason to call, at the beginning of my remarks, an anomaly. I would therefore suggest that the department rectify, as soon as possible, this situation, which is quite abnormal, in the rural postal service of this great Acadian constituency of Gloucester in the province of New Brunswick.

(Text):

Mr. L. Philippe Picard (Bellechasse): Mr. Speaker, I should like to suggest to the Postmaster General (Mr. Cote), and any other members of the house who may want to be enlightened on the question of rural mail services, that they should consult *Hansard* of February 20, 1947. They will find there the remarks I made on that occasion, which I believe are as apt and to the point today as they were then. If the Postmaster General has actually read them I think he will agree with me. I see no purpose therefore in repeating or enlarging upon them, and if more hon. members would follow the same practice with respect to many other subjects I am sure our debates would be shortened.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to say a word on this subject because I represent the largest constituency in area in the southern part of Ontario. It is sparsely settled in many districts, and I think there are at least as many rural mail routes as in any other constituency in the province. I have many grievances that I could air, but I do not like to thresh old straw. I do not think that does any good. I have said before that I think the hiring of mail couriers should be done by the civil service commission, but there would be no use of my making that suggestion now or bringing forward a resolution to that effect because with the large number of Liberal members in the house I would not get very far with it.

The government has indicated the way it wants to handle this matter; and be that as it may, it cannot help but be an improvement over the old system. I realize that it gives the minister much more power than previously and much more opportunity for patronage, but even at that the situation cannot be any worse in the future than it has been in the past so far as my riding is concerned. I think the minister knows something about it. Most of it took place before his term of office began. So far as patronage is concerned, I cannot find very much fault since he took over the portfolio. I was pleased when I heard the minister say that there was not going to be any favouritism or patronage as a result of the proposed legislation, and that so far as the rural mail carriers were concerned everything was going to be done as fairly and equitably as possible and for the benefit of Canada as a whole.

It is a big problem because Canada is a large nation and we have so many diversified areas. In my riding we have some mail routes that do not go off paved roads, whereas in some of the more sparsely settled areas the roads are very narrow, hilly and rocky, and in some places it is almost impossible to travel over them with a car. Some of the mail carriers have to keep a car for the summer and to provide horse-drawn vehicles in the winter months.

I understand that the committee is going to be set up to recommend to the minister ways and means to pay the rural mail carriers on an equitable and fair basis. That is a big job, and if the committee goes into every mail route in Canada it will not be finished its work by this time next year. It will have to set up some sort of system whereby it will deal with certain classes of roads.

I want to say to the minister that I believe in my riding we have the best group of mail carriers in Canada. In fact they could not be any better. We have people who have carried the mail for twenty years and have never missed a trip winter or summer, rain or shine. Not one letter or parcel has ever gone astray on these routes.

I think the policy of the government has been that when the four-year contract for a mail route expires the contractor gets a renewal provided he is satisfactory and

does not want any more money. However, that has not always taken place. Patronage has come into the picture. I can cite many cases, and I do not have to go out of my own riding to do it. I hope that situation will be changed. When a man is satisfactory, does not ask for any more money and can produce a petition signed by every mailbox owner on his route indicating that they want him to have the route, I hope the department will pay attention to these things and will not listen to the president or chairman of the Liberal association in a little corner of the riding who will only take the department off on a downhill road that is no good for anybody.

Mr. Larson: Liberal chairmen always listen.

Mr. Hodgson: I hope they are listening in my riding tonight. They have been anything but fair, and I want to tell you that it has not done them any good. Every time you change a mail carrier don't forget that there are four or five other applicants for the contract. When you pick one the other three are dissatisfied, and that has happened on a couple of occasions in my riding. They displeased many more than three. I think that is something the minister should take into consideration, and I hope he will not be like his predecessor.

I came to Ottawa to see his predecessor one time not so very long ago, and I remained here for two days. During that period I called him on the phone at least every hour trying to get an appointment, but he was too busy. I told him if he was too busy to see me for five minutes I was going to put a placard on my back and walk up and down in front of the office until he would see me. Then he said he could talk to me on the phone for a minute. When I put my case to him over the phone he said, "Oh, my officials, my officials, my officials."

An hon. Member: Three times?

Mr. Hodgson: I hope the minister will run his department and not let his officials run him down the hill. Sometimes they are all right and sometimes they are all wrong. That is not good for the government either.

There is another matter to which I should like to refer. The hon. member for Hastings South (Mr. Follwell) spoke today and said that he had obtained extensions of mail routes on the basis of three boxes to a mile. I was very glad to get that information, because just yesterday I received a letter from the minister's department turning down a request for service on the basis of three boxes to less than a mile. The letter said that government policy was four boxes to a mile. In the last few years I have received several letters from the Post Office Department all stating that the basis was four boxes to a mile. Therefore I say now that patronage can be a bad thing, because apparently some ridings can get service on the basis of three boxes to a mile.

Mr. Follwell: Mr. Speaker, would the hon. member permit me—

Mr. Hodgson: You sit down. I did not ask you any questions.

Mr. Follwell: On a question of privilege, if I may be permitted to speak from this side of the house, I am sure the hon. member will recall—if he will look at *Hansard* he will see it—that I said I was of the opinion it was three to a mile. I said I did not know how many it was to the mile. I referred it to the Postmaster General. I did not get an answer from him but someone on the other side of the house said "three to a mile". The hon. member immediately said that it was four to a mile in his constituency.

Mr. Cardiff: I was the one who made the statement, and I have one that is three to the mile.

An hon. Member: Patronage!

Mr. Hodgson: Mr. Speaker, the hon. member for Hastings South (Mr. Follwell) also went back to something that happened in 1930; but look at the young gentleman. He doesn't remember what happened in 1930, and I think he had to admit that before he finished his speech tonight.

Mr. Follwell: Quite right.

Mr. Hodgson: Nevertheless I do believe there are certain places where they should accept three boxes to a mile. As a matter of fact there is a place in my riding where I would like to get a route at three boxes to a mile. That is desirable where elderly persons live, especially when the mail courier is willing to deliver that mail without any additional cost. It is something that should be considered.

I am not in favour of this bill having to do only with contracts under $1,000. If you are going to give the minister a bit of leeway, well, give him some leeway. Why stop at $1,000? Make it something worth while because most mail routes are over $1,000.

Mr. Cote (St. Jean-Iberville-Napierville): If my hon. friend will allow me, I think there is a little confusion. We intend to do exactly what he desires, to readjust contracts not only under $1,000 but all contracts except those covered by section 29.

Mr. Hodgson: I am glad to have that explanation because over at Beaverton last September they took the mail contract away

from the fellow who had had it for sixteen years. He never missed a trip and never lost a letter, but they gave it to another fellow on a contract at practically the same price. The fellow who had it for sixteen years had it sixteen years too long at the price he was being paid; and the fellow who got it last September has had it too long at the price he is getting. I am going to have a talk with the minister about a little increase for that fellow, because I certainly think he needs it.

There has been a new set-up for mail distribution in about one-third of my riding since the minister took over his office. I want to say that we appreciate that very much. It is something I have been after for five long years, but I never got any place until we got the genial minister in the proper chair and in the proper job. He got busy and did something about it, and we have a better mail service in one-third of my riding than we have had since confederation.

There are some more improvements that should be made, and I spoke to the minister about them. He said that I should get the matter in shape and come over and talk to him about it. The improvements are not going to cost any more money; there are just a few little things that could be shaped up. When we get this bill through the house, get this legislation set up, and have all the information and advice that the committee can give, we will be able to chat about these things and probably get around to doing something about them.

I did want to go into deliveries of mail in the towns, and I was wondering how it would be set up. Is it to be according to the population of the towns, or revenue, or just what will it be when we get the two deliveries a day? For instance, in the town of Lindsay we had two deliveries until recently.

Mr. Speaker: Order. The committee is being set up to consider the operation of the rural mail delivery service. I do not think the committee would have power to go into city deliveries, and in any event this resolution does not affect delivery within cities.

Mr. Hodgson: Mr. Speaker, I abide by your ruling. Nevertheless the hon. member for Hastings South went into letter deliveries in Belleville and the hon. member for Cariboo (Mr. Murray) discussed deliveries on trains and airplanes.

Mr. Speaker: I think if the hon. member had brought that to the attention of the Speaker, those hon. members would have been called to order.

Mr. Hodgson: It happened that you were not in the chair, sir.

Mr. Speaker: I am sure that would not have made any difference.

Mr. Hodgson: I abide by your ruling, sir. I think if there is any change it has to be a change for the better, and I am glad to say that I am in favour of the resolution.

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, it is certainly not my intention to follow the hon. gentleman who preceded me in all the political matters about which he spoke. My comment will be very brief because some of the points I had intended to make have already been covered by my colleague the member for Portneuf (Mr. Gauthier).

One point I would like to submit for the consideration of the committee that will be set up is the fact that sometimes we meet with difficulties when we try to obtain a rural route in some of the villages in my constituency. It would appear to me that when the Postmaster General has to make a decision regarding a mail route it must be determined whether the locality concerned is to be considered a rural region or an urban region. At Ste. Anne de Beaupre, a town in my riding, we have a community that is considered to be an urban district, yet closer to the village there is what is considered to be a rural district. The department claim that under the present regulations they do not qualify as an urban area.

May I suggest that some scheme could be arrived at, or some system of delivery, which would be neither a rural courier's route nor a city service, but something in between. I hope the regulations which will be established will have such a degree of flexibility as to permit people who want a particular type of service to receive that service.

Mr. Speaker: If the minister speaks now, he will close the debate.

Hon. Alcide Cote (Postmaster General): Mr. Speaker, I shall be brief. I wish to repeat my appreciation for the approach to this motion taken by all members. I wish also just to say a few words to my hon. friend from Gloucester (Mr. Robichaud) who spoke in French regarding a considerable number of special cases.

(Translation):

I wish to assure my hon. friend that we examine carefully all cases. I know that a case may appear particularly worthy to the hon. member who submits it but, when that case reaches the department, it is added to all the others that must be considered on their respective merits.

Committee on Post Office

I am sure that my hon. friend saw nothing more than a coincidence in what he calls an anomaly in the proportion of English-speaking and French-speaking people who get mail delivery. If I understood him correctly, he is not blaming anyone; otherwise it would be an insinuation inconsistent with my hon. friend's character.

(Text):

Sir, I want to conclude by saying that this problem is more complicated than we might think. Evidence of that is already before this house, because nearly all members have a solution or a partial solution. I am sure, however, that with the atmosphere of objectivity which members have created, and with the explanation and testimony of officials and others, the proper solution will be found. I wish to thank every hon. member in the house, and all members who have participated in this debate. I am sure something good in the form of legislation will come from this committee.

Motion agreed to.

Mr. Speaker: Do I understand that it is the wish of the house that the names of those who will serve on the committee shall be announced this evening?

Mr. Cote (St. Jean-Iberville-Napierville): Yes. I move:

That the committee consist of: Messrs. Ashbourne, Beyerstein, Boucher, Brisson, Bryce, Cardiff Cardin, Coyle, Cruickshank, Dinsdale, Dumas, Dupuis, Garland, Gour (Russell), Green, Hosking, Langlois (Gaspe), MacKenzie, MacLean (Queens), McCulloch, McWilliam, Noseworthy, Robertson, Robichaud, Spence, Ward, and Welbourn.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is unanimously agreed that these hon. members will form the committee.

Motion agreed to.

CROWN LIABILITY

TORTS AND CIVIL SALVAGE

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 105, respecting the liability of the crown for torts and civil salvage.

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

Some hon. Members: Agreed.

Mr. Fulton: No, Mr. Speaker. Is the minister not going to make a statement?

Mr. Knowles: He is just waiting for an invitation to do so.

[Mr. Cote (St. Jean-Iberville-Napierville).]

Mr. Fulton: He now has it.

Mr. Garson: Mr. Speaker, this bill is the most far-reaching and is indeed the final step in making the federal crown in Canada liable in tort for damages for which, were it a private person of full age and capacity, it would be liable in respect of a tort committed by a servant of the crown or in respect of a breach of duty attaching to the ownership, occupation, possession or control of property, or in respect of motor vehicle damages sustained by any person by reason of a motor vehicle owned by the crown. The bill also has other purposes to which I shall allude later, but its main purpose is to make the crown, in respect to the matters which I have mentioned, liable to the full extent to which it would be liable if it were a private person of full age and capacity.

It is appropriate, I think, in discussing the principle of this bill to link it with the history and the development of the rules governing claims against the crown for redress in those cases where a subject feels himself aggrieved. In their historic origin our courts were the king's courts which were created to hear and determine suits brought between subject and subject in accordance with the rules of the common law. Since these courts had been created by the king and, in a very real sense, represented the monarchy in the exercise of its judicial function, it was not possible for a subject to sue the king in the king's own courts.

However, once in a while even in those times, subjects had legal claims against the crown for which their only hope of redress was by petitioning the king for justice. Since these petitions involved points of law which the king was not in a position to consider personally, the practice grew up under which he authorized certain courts to consider whether such petitions should be granted, by an order or fiat addressed to his own courts directing in effect: Let justice be done. It was only in this way that issues between the crown and subjects were brought before the courts and there determined in accordance with the rules of the common law.

It was thus that two principles emerged, the first of which was that claims might be asserted against the crown in the form of a petition; the second of which was that such claims could not be entertained until a fiat had first been granted. These principles of the English common law were first given statutory form in Canada by this parliament in 1876 when Hon. Edward Blake, the minister of justice under the Alexander Mackenzie government, introduced the Petition of Right Act of Canada to that effect. Until this government introduced a bill in 1951

to abolish the fiat, the granting of it continued to be the sole basis upon which petitions of right against His Majesty in the right of Canada could be decided in this country.

Although certain claims might be asserted against the crown in this way, the crown was very far from being in the same position as a private individual in respect of its subjects' claims generally. The only claims that could be made the subject matter of a petition of right were those in which the land, goods or money of the subject were in the possession of the crown or in which the claim arose out of a contract entered into by or on behalf of the crown.

That was the position in 1887 when this parliament enacted that the Exchequer Court of Canada, which had previously been established as the court in which laws relating to taxes and revenues might be enforced, should also be the appropriate forum for the hearing of these petitions of right. This legislation of 1887 also introduced a fundamental change in the law. Prior to that time, as I have said, claims against the crown arose where the lands, goods or money of the subject were in the possession of the crown, or arose out of a contract entered into by or on behalf of the crown. Claims against the crown could not be brought in respect of any tort—that is any wrongful act—not involving a breach of contract for which a civil action would lie. The reason an action could not be brought in respect of a tort or wrong was upon the ground that in law the king could do no wrong and therefore could not be liable in tort. But this act of 1887 gave the exchequer court jurisdiction to hear and determine every claim against the crown arising out of any debt, injury to the person or to the property, or any public work resulting from the negligence of any officer or servant of the crown while acting within the scope of his duties or employment.

Thus for the first time in Canada—and to the great credit of Canada, for the first time in the English-speaking world—actions in tort based upon the one tort of negligence only were permitted to be taken against the crown. I think that it is fitting that for this enlightened legislation we should pay our respects to Hon. John Thompson who was the minister of justice under Sir John A. Macdonald, and who subsequently became Sir John Thompson and prime minister himself.

As an indication of the enlightened attitude of Canada in this respect, it may be noted that it was not until 60 years later that the United Kingdom and other commonwealth countries permitted proceedings against the sovereign for torts.

With slight amendments from time to time this rule established in 1887 has prevailed until the present day. Actions against the crown in tort are still confined to negligence although, as I pointed out on a previous occasion, to say only that they are so confined may to the layman be misleading as to their scope unless one points out that a large percentage of actions in tort—possibly as high as between 90 and 95 per cent—are actions based upon the negligence of servants of the crown.

In Canada the law as amended by this legislation of 1887 continued substantially without change until 1950, when this government introduced the Statute Law Amendment Act by which it was provided that action might be brought against crown corporations in the provincial courts. This legislation in itself was a radical departure from existing law and existing legal theory; for before that time legal proceedings against the crown in the right of Canada could only be taken in the courts of His or Her Majesty in the right of Canada. The 1950 act therefore, in permitting actions against the crown in the right of Canada to be taken in the courts of His Majesty in the right of the provinces, made these crown corporations amenable to the jurisdiction of all Canadian courts in much the same way as ordinary corporations.

In the following year, 1951, by an amendment to the Petition of Right Act we abolished the necessity of securing a fiat before proceedings could be brought against the crown. Proceedings may now be taken against the crown as of right and without first obtaining the crown's consent.

The bill now before you represents perhaps the most far-reaching change of all. Its purpose is to place the crown, in so far as actions in tort are concerned, in substantially the same position as a private individual. Upon the passage of this bill the crown will be liable not only for all torts committed by agents or servants of the crown, but also for torts that may be committed without the intervention of a servant or agent, namely torts arising out of the ownership, occupation, possession or control of property including motor vehicles. The list of actions that are generally recognized as coming within the classification of "torts" are as follows: (a) negligence; (b) nuisance (c) trespass; (d) assault; (e) false imprisonment and false arrest; (f) malicious prosecution; (g) libel and slander; (h) deceit;

interference with contract rights; (j) trover and conversion; (k) slander of title; (l) infringement of patent.

Making the crown liable for torts committed by its servants will make the crown liable for those torts I have just mentioned wherever they are committed by a servant while acting within the scope of his duties. Of these as I have already stated, the tort of negligence is the most significant, and next to it that of nuisance.

The extension of the crown's liability for breach of duty arising out of ownership, possession or control of property would make the crown liable as occupier to invitees, licensees and occasional trespassers in accordance with the ordinary rules of law; it would extend to the crown liability for nuisance or negligence committed otherwise than through the medium of a servant of the crown. For example, the crown would be under a duty to prevent injury to adjoining property from a building, from the escape of noxious and dangerous things, from the presence of dangerous things, from interference with riparian rights and, generally, for nuisance and negligence in respect of the management of crown property.

In the above respects Canada is now extending the liability of the crown in Canada in the same manner in which the United Kingdom has extended the liability of the crown in the United Kingdom.

At this point I think I should interject some words of reassurance to the taxpayers of this country. While these provisions will probably result in some increase in the amount payable by the crown to persons injured, it should be noted that many of the claims which will arise under this present legislation are now being paid on an *ex gratia* basis, notwithstanding that there is no legal liability, because it has been felt that there is a moral one. Therefore it is not expected that the total liability from a financial point of view will be increased too greatly. It is not expected, for example, that the liability of the crown in respect of all the new causes of action against the crown which are created by this bill will be anything like as great financially as those based upon the negligence of the crown's servants.

There would, of course, be no liability in any case where anything was done under the authority of a statute. Nor is it intended to impose liability in respect of the ownership of property unless the crown is, in fact, controlling and administering the property. For example, in the Northwest Territories, and to a lesser extent in the provinces, the federal crown owns wild or unoccupied lands. In respect of such lands it is intended to make the crown liable only where the crown has, in fact, assumed control and is in some way using or administering the property.

It is also proposed to exclude liability where the crown has abandoned the use of a particular work. For example, the crown might, as a public convenience, construct a wharf in a remote area but, because the need for it no longer exists, the crown might cease to maintain it. It is intended to make provision for a public declaration of abandonment in order that the crown would not be obliged either to continue to maintain the work indefinitely or to demolish it.

This brings me to the second main provision of the bill, which is that it makes applicable to the crown the ordinary laws relating to salvage services rendered in assisting any crown ships or in saving life therefrom or in saving any cargo or apparel belonging to the crown, in the same manner as if the ship, cargo or apparel belonged to a private person. Here again this provision is a counterpart of that contained in the United Kingdom crown proceedings act.

The third main provision of this bill is that permitting small claims in negligence up to a limit of $1,000 to be taken in the district or county courts that would have jurisdiction if the action were between subjects. This will enable the issue to be determined locally and result in a saving of costs, and will enable small negligence claims to be disposed of quickly. All other actions of course will continue to be brought in the Exchequer Court of Canada.

May I say in conclusion that the step being taken in this bill follows logically from the development of our whole legal history and particularly from the measures which we enacted in this present parliament in 1950 and 1951. In all these matters we have to keep in mind two important factors. On the one hand there is the obvious consideration that the citizen as a litigant should have an economical and effective method of pursuing his claim against the crown. Against this must be balanced, however, an equally important consideration, namely that in the interests of the general body of citizens as taxpayers this litigation against the crown should be carried on as economically and efficiently as possible.

This is the third important piece of legislation in this regard which the government has brought forward in the last three years. We have gone into this process gradually in order to make sure step by step that we were providing reforms for the litigant without imposing any undue burdens upon the taxpayer. Our experience with the legislation which we passed in 1950 and again in 1951

in this respect has been very favourable. Our impression is that the present legislation will remove virtually all of the restrictions upon litigants who desire to sue the crown without imposing a new and costly burden upon the taxpayer.

Mr. Diefenbaker: Mr. Speaker, I would move the adjournment of the debate and would suggest that, in view of the fact that the hon. member for Eglinton (Mr. Fleming) will not be here tomorrow, it might stand over until the beginning of the week.

On motion of Mr. Diefenbaker the debate was adjourned.

LABOUR CONDITIONS

STATEMENT ON THREATENED RAILWAY STRIKE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, if I might have the consent of the house to revert to motions for a couple of moments, I would be glad to announce to you, to the house and to the country that collective bargaining is still an effective instrument to deal with labour relations in this country.

The representatives of the Canadian railways and the representatives of the brotherhood who had been negotiating for some considerable time to settle the renewal and revision of the collective agreement governing their relations have agreed upon terms for the renewal and revision of that agreement; and the instructions that the members of the union would withdraw from service at six o'clock on the 2nd of February are being cancelled at this moment. The railways are also withdrawing the notices of embargoes on shipments of perishable goods.

I think it would be appropriate to add—and I feel that this would be in the name of all the members of this House of Commons—that we are highly appreciative of the public-spiritedness of those who have been negotiating on behalf of the railways and on behalf of the brotherhood. They have fully and magnificently recognized their responsibilities to the Canadian people whose servants they are, as we are, and whose interests are as dear to them as they are to us and to those we represent.

I think they have done a magnificent job, and that it is a credit to Canadian democracy that matters about which there were honest and sincere and pretty widely diverging views could be settled when honest men of good will got together and did their best to discharge their responsibilities to their fellow citizens.

That has been done; and I think it is a bright page to be written into the history of labour relations in this country.

Mr. Graydon: May I ask the Prime Minister (Mr. St. Laurent) if he is in a position to give us, in general, the terms of the settlement arrived at?

Mr. St. Laurent: I would prefer that that should come from those who have made the settlement. It has been their responsibility, and they have discharged it magnificently.

I can say that there are two points which have been mentioned to me, that perhaps had to be mentioned to me. One was that there is an increase of the order of 12 per cent going into force, with an appropriate retroactive date to be determined by the parties.

There is for a certain group of yardmen, I believe it is, a forty-hour week, to go into effect on the 1st of October next, evidently with adjustments which will have to be made in the wage scale so that the take-home pay will not be seriously affected by that change in the hours.

The adjustments with respect to the application of the forty-hour week are matters upon which there still remain diverging views on the part of the representatives of the men and the representatives of the company. They have both agreed that I am personally—not as Prime Minister, not as head of the government—but that I am personally to select a person to decide, as referee, what those adjustments will be, both parties agreeing to abide by the decisions of that referee.

As that is a matter which will not require to be implemented before October 1, 1953, both parties told me that there was no immediate urgency in announcing the referee, but that they hoped it might be done within a reasonable time. I was naturally highly flattered by the confidence they both expressed.

I asked them if they had any suggestions. They preferred to make no suggestions, but to leave it entirely to me to make the selection, without any suggestions or recommendations or objections. They said they preferred to have me use my own best judgment in selecting a person to do that for them, and that they were going to be satisfied to abide by whatever adjustment that referee decided was the proper adjustment in the circumstances.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we of this group would like to join with the Prime Minister (Mr. St. Laurent) in the well-deserved tribute which he paid to the parties who have carried on

these negotiations, and who have shown the public spirit to which the Prime Minister referred tonight.

I am sure we are all delighted, not only that an agreement has been reached but that it has been reached through the process of collective bargaining, without any outside interference. That is perhaps the most important aspect of the announcement made tonight by the Prime Minister, and we applaud it very happily. We are naturally interested—and I think that goes for all of us—in the details of the settlement. I was afraid at first, when the Prime Minister began to reply to the question of the hon. member for Peel (Mr. Graydon), that he would not be able to give us any of the terms tonight. However, he has been able to give us a good deal of information.

That information does seem to suggest that a basis of settlement agreeable to both sides has been worked out. I wonder if the Prime Minister is in a position to say whether or not the terms agreed upon include any reference to the changes in rules which did, for a long time, stand in the way of a settlement. Is that subject in the category of matters that have been agreed upon, or is it in the category of matters to be dealt with by the person whom the Prime Minister will name?

Mr. St. Laurent: The only matter to be dealt with by the referee I am to appoint is the matter of adjustment required by the institution of the forty-hour week. There are other matters about which precise decisions have not been arrived at, but the parties have agreed that they trust each other sufficiently to be able to work those out without there being any danger of their interfering with the completion of a collective agreement.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will take up Bill No. 44, to protect the coastal fisheries; the resolution in the name of the Minister of Resources and Development respecting the conservation of water resources; also the resolution in the name of the Minister of Resources and Development respecting the establishment of the historic sites and monuments board of Canada; the resolution in the name of the same minister respecting the revision and consolidation of the Yukon Act; then Bill 47, to amend the Territorial Lands Act; and if these matters are disposed of, we will consider the resolution to amend the National Housing Act.

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

HOUSE OF COMMONS

Friday, January 30, 1953

The house met at 2.30 p.m.

PRIVILEGE

MR. KNOWLES—REFERENCES TO HON. MEMBER FOR QUEENS-SHELBURNE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I rise on a question of privilege which is one on which I am sure every member in the house would like to rise; in other words, may I say how delighted all of us are to see back in our midst once again the hon. member for Queens-Shelburne (Mr. Smith). May I add that it is even a greater source of delight to us all to see him in such excellent health.

Mr. P. C. Black (Cumberland): Since I come from Nova Scotia I want to join with the hon. member for Winnipeg North Centre in welcoming our fellow member from that province. I speak on behalf of all the people of Nova Scotia in welcoming him back to the House of Commons. We are very happy to have him here and delighted to see him looking so well.

HOGS

INQUIRY AS TO INCREASE IN PRICE AFTER MARCH 1

On the orders of the day:

Mr. L. E. Cardiff (Huron North): I should like to direct a question to the Minister of Agriculture (Mr. Gardiner) but in his absence and in the absence of his parliamentary assistant perhaps one of the cabinet ministers will answer. Was the Minister of Agriculture expressing government policy the other day when under pressure he stated that hogs would advance in price four cents a pound after March 1?

Right Hon. L. S. St. Laurent (Prime Minister): I do not know of any such statement having been made by the Minister of Agriculture.

YUKON

INQUIRY AS TO EXTENSION OF SOUTHERN BOUNDARY TO 55TH PARALLEL

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): May I direct a question to the Minister of Resources and Development (Mr. Winters), notice of which I have given him. Have any representations been made by organizations in the Yukon to extend the boundary of the territory south to the 55th parallel, thus including parts of northern British Columbia? If so, can the Minister indicate the nature of the representations?

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, I have received a resolution passed by the monthly general meeting of the Whitehorse board of trade, held on the 6th day of January at the city of Whitehorse in the Yukon Territory. The resolution expresses concern lest what is referred to in the resolution as the entirely undeveloped northwest areas of British Columbia become "a vacuum between the industrialized south of the province and the fast-growing Yukon Territory", and indicates a desire to promote the welfare of the people living in those areas by extending the southern boundary of the Yukon Territory to 54° 40′.

I note that copies of the resolution were sent to the premiers of British Columbia and Alberta but to date neither of these governments has expressed its views on the subject to the federal government.

Mr. Green: May I ask the minister whether the government is contemplating any action in connection with this suggestion?

LIBBY DAM

INQUIRY AS TO COMPENSATION FOR CANADIAN LAND AND WATER RESOURCES

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Secretary of State for External Affairs. In view of the recent press statements by United States authorities that they are prepared to proceed with the Libby dam project, will the minister inform the house whether the United States proposals are sufficient to assure adequate compensation for the use in perpetuity of Canadian land and water resources?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member was good enough to give me notice of his question, which is of course of particular interest

to the province of British Columbia. I should like to make a short statement in reply to it.

The hon. member is referring to an application which was submitted in January, 1951, on behalf of the United States government for the approval of the international joint commission of the construction of the Libby Dam project. This project would involve the construction of a dam on the Kootenay river at Libby, Montana, and the creation, upstream, of a reservoir flooding the Kootenay valley in Montana and for a distance of 42 miles in British Columbia.

Under the boundary waters treaty of 1909, a project such as this, which would affect the level of waters on both sides of the boundary, requires the approval of the international joint commission and of the governments of Canada and the United States. The government of British Columbia is also, of course, concerned in the matter since the project will involve the use and development of resources within the province. In a development of this sort consideration must be given not only to the question of compensation for property damages but also to the larger question of appropriate arrangements to ensure that those entitled to the benefits to be derived from the use of Canadian natural resources—in this case the people of British Columbia in particular and the people of Canada in general—should receive those benefits in full measure.

In putting the Canadian interest before the international joint commission, the Canadian government has therefore been concerned to ensure that benefits will accrue to Canada commensurate with the contribution which Canadian resources will make to the developed project. This is the matter that is at issue before the commission now, and I hope that it will be resolved soon. The development and use of natural resources within their boundaries is, of course, a matter within the jurisdiction of the provincial governments. The Canadian government is making every effort to see that the needs and rights of the people in the area concerned are fully met and that the government of British Columbia is given every opportunity to present its views to the international joint commission so that the interests of the people of British Columbia can be fully protected.

I understand that, following recent discussions with the Canadian chairman of the international joint commission, the government of British Columbia, continuing studies initiated by the previous government of the province, is seeking the advice of a committee representative of public and private interests as to the policy to be recommended to the international joint commission with regard to compensation and to the distribution of the benefits of the project to those entitled to them. I can assure my hon. friend that the Canadian government, whose approval is also required before any project such as this can be undertaken, will ensure that the interests of the people of British Columbia will be given full consideration.

WHEAT

CANADIAN CRACKED WHEAT CONTENT IN U.S. FLOUR

On the orders of the day:

Mr. P. E. Wright (Melfort): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Trade and Commerce. Has any protest been made by the government to the United States authorities with regard to the bad effect on Canadian wheat sales caused by recent actions of certain United States importers who are reported as having used Canadian cracked wheat in flour for human consumption in that country?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I wonder if I may take the question as a notice. I should like to prepare an answer. The hon. member did send me notice of the question, but I did not receive it until just before the sitting opened. I should therefore prefer to leave it until Monday before answering.

DELIVERY QUOTAS IN WESTERN CANADA

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Trade and Commerce. Could he inform the house what progress is being made in raising delivery quotas in western Canada, and when it is expected the fifteen-bushel quota will be general? Is it expected that the fifteen-bushel quota can be raised before the end of the crop year?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Delivery quotas in the province of Manitoba have been at 15 bushels per seeded acre for all grains since December 9, 1952. As of today, the delivery quotas for all grains at all stations in Alberta have been raised to 15 bushels per seeded acre.

In the province of Saskatchewan good progress is being made in raising delivery quotas towards the 15 bushel per seeded acre

level. As of yesterday, the delivery quotas in effect for wheat at Saskatchewan stations were as follows:—

5	bushels	per	seeded	acre — nil
8	bushels	per	seeded	acre — 27
10	bushels	per	seeded	acre —520
12	bushels	per	seeded	acre —382
15	bushels	per	seeded	acre —180

The Canadian wheat board anticipates that prior to the end of the crop year it will be possible to increase delivery quotas to more than 15 bushels per seeded acre at all points in the three prairie provinces and the board is working towards that objective.

P.E.I. CAR FERRY SERVICE

BORDEN-TORMENTINE FERRY—OWNERSHIP

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I rise to a question of privilege. It has been brought to my attention that in a recent report from the labour department there is the statement that the ships *Abegweit* and *Prince Edward Island* of the Borden-Tormentine route are owned by the Canadian National Railways. I hope the editor of that report will have the correction made at the earliest possible moment.

Hon. Milton F. Gregg (Minister of Labour): I will be very glad to see to it that any necessary correction is made at once.

CANADIAN NATIONAL RAILWAYS

ASSESSMENT OF INCOME TAX ON PENSION FUND REFUNDS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of National Revenue or of the Minister of Transport in connection with Canadian National Railways employees who are receiving refunds on account of moneys paid to the old pension fund. They want to know whether or not the government has considered making it unnecessary for them to show as income in 1953—

Mr. Knowles: 1952.

Mr. Diefenbaker: 1952—the total amount received that year, because it was gathered together during the year. Can the minister say something about that, since there seems to be a difference among the various income tax branches in the dominion as to their interpretation of that provision?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, [redacted] matter which I think might more properly be answered by the Minister of Finance (Mr. Abbott). Under the present law, income is taxable in the year in which it is received. While the matter has been given some consideration, it has not been given final consideration. It would be necessary to have a change in the law in order to spread it over a number of years.

Mr. Diefenbaker: Would the minister permit a further question? One of the income tax offices right here in the city says it is not income in the current year. Others are in a different position. How does this difference come about?

Mr. St. Laurent: Someone is making a mistake.

Mr. McCann: Yes, someone is making a mistake. And I have no knowledge of the matter being treated except upon a uniform basis throughout all our offices.

Mr. Diefenbaker: The Canadian National Railways employees want to know about it.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question of the Minister of Transport? Can he say whether he has completed his study of this question following the representations made to him by Mr. Hutchinson; and has he taken the matter up with the Minister of Finance (Mr. Abbott)?

Hon. Lionel Chevrier (Minister of Transport): The answer to the first question is yes. I have completed the study of the brief sent to me by Mr. Hutchinson, and I have replied to Mr. Hutchinson along the lines that I think the only method of granting relief as requested by him is by way of an amendment to the Income Tax Act—which matter is now under study by my colleague the Minister of National Revenue.

I think the point the hon. member for Lake Centre (Mr. Diefenbaker) raised a moment ago arises from the fact that some of the refunds are made in 1953 and others in 1952. So that, because of that, it might well be possible that the income tax offices to whom he referred are not dealing with the same thing.

Mr. Knowles: May I ask the minister if he is prepared to answer my second question? Has he made representations to the Minister of Finance concerning this matter?

Mr. Chevrier: Yes; the Minister of National Revenue, the Minister of Finance and I have been discussing the matter.

FISHERIES

PROTECTION OF COASTAL FISHERIES

Hon. James Sinclair (Minister of Fisheries) moved the second reading of Bill No. 44, to protect the coastal fisheries.

Coastal Fisheries

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, the main purpose of this bill is to protect Canadian fisheries in territorial and inland waters from encroachment from foreign fishing vessels and to regulate the conduct of foreign fishing vessels in our territorial and inland waters.

This bill is a revision of the Customs and Fisheries Protection Act, Revised Statutes of Canada, 1927, chapter 43, which was first enacted in 1868 in an act intituled "The Foreign Fishing Vessels Act". This act was amended several times over the years, the last of which amendments was made in 1913.

The present bill is largely one of clarification and revision. A few obsolete provisions of the present act are removed.

Under the present act the governor in council may issue permits to United States fishing vessels to enter Atlantic ports to purchase bait, ice, seines, lines and all other supplies and outfits and for the transshipment of catches and the shipping of crews. The governor in council, however, has no power under the present act to grant similar privileges to fishing vessels of any other foreign power.

Previous to the entry of Newfoundland into the union certain privileges and arrangements had grown up whereby fishing vessels of foreign powers, particularly of Portugal, were permitted to enter Newfoundland ports. At the time of union the governor in council was given authority by section 9 of the Statute Law Amendment (Newfoundland) Act, being chapter 6 of the statutes of 1949, to issue permits to fishing vessels of foreign powers to enter Newfoundland ports. The governor in council has no power to issue permits to the fishing vessels of any foreign power to enter Canadian ports on the Pacific coast.

The present bill will give the governor in council power to issue permits to the fishing vessels of any foreign power to enter any port in Canada. This power, however, will in no way affect the reciprocal port privileges on the Pacific coast for fishing vessels of the halibut fleet, which are regulated by treaty between Canada and the United States.

The present act purports to exclude from our territorial waters foreign fishing vessels. There is, however, no definition in the act of what constitutes a fishing vessel. It is doubtful whether, in its ordinary sense, the term "fishing vessel" could be construed to include vessels hunting seals or taking marine plants in our territorial waters. There is also serious doubt whether the present act would exclude vessels that are not engaged directly in fishing, that is fish processing vessels or even mother ships, which do not engage in actual fishing but which store or transport fish caught by catching boats. It was therefore thought desirable to include in this bill a proper and complete definition of the term "fishing vessel."

The present act provides for forfeiture only as a penalty for foreign fishing vessels entering our territorial waters. In days gone by this was probably all right, but today, having regard to the value of trawlers, it is far too drastic a penalty. This bill therefore provides fines as alternative methods of punishment. By way of revision this bill provides a simplified procedure for seizure and forfeiture of any foreign fishing vessels. The procedure in the present act was deemed to be too cumbersome, involving great delays and expense.

Under the present act enforcement was vested not only in Canadian but also in British naval vessels and officers. The present bill provides that enforcement shall be the responsibility only of Canadian vessels and officers. The present act was designated as the Customs and Fisheries Protection Act. Since the act is no longer used for purposes of customs administration but entirely for fisheries protection against encroachment of our territorial waters by foreign fishing vessels, it was deemed desirable to change the name of the act accordingly.

The present act only excludes fishing vessels which are "foreign or not navigated according to the laws of Great Britain or of Canada" and which are not permitted to come in by "any treaty or convention or any law of Great Britain or of Canada". This bill would bring the law into conformity with the present status of Canada within the commonwealth and all fishing vessels, except Canadian fishing vessels, would be prohibited from coming into our territorial or inland waters unless permitted by a treaty or law of Canada.

The present bill has come to us from the Senate where it received very thorough consideration. It is intended that when this bill has had its second reading it will be referred to the standing committee on marine and fisheries.

Mr. MacDougall: Would the parliamentary assistant to the Minister of Fisheries answer a question which is perhaps made necessary by my [illegible]g him correctly. Did he say that mother ships were not considered to be fishing vessels, or did he say that they were considered to be fishing vessels?

Mr. MacNaught: What I said was that under the present act, which this bill consolidates, revises and amends, it was not clear that a mother ship would be included in the term "fishing vessel." For that reason it was deemed advisable to include an all-embracing definition in the bill.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I have listened to what the parliamentary assistant has said in regard to this bill, and while the language is not exactly the same it bears some resemblance to that which was used in the "thorough investigation" he says took place elsewhere. I have studied that as well. The hon. member has stated that this is an act to protect the coastal fisheries of this country.

There is no part of the country more interested in a bill of this kind than Newfoundland. The coast line of Newfoundland must be about 3,000 miles in length, and with the addition of the Labrador coast line it must total close to 4,000 miles.

There is a long and interesting and what has at times been a quite exciting history to this piece of legislation. Hon. members may not derive, from the information and explanation given by the parliamentary assistant, just what is the nature of this particular piece of legislation. Therefore, with the indulgence of the house, I should like to state a few facts of this history.

As everyone knows, in the early days there were no laws governing fishing rights on the coasts of Newfoundland or of any other part of Canada. Fishing vessels from England, Spain, France, Portugal and the Basque country used to come over here and use the harbours until the English took charge and started to make regulations for the conduct of these vessels in the country. Traditionally these countries sent out their fishing vessels year after year for centuries, the only interruption being by serious international wars, particularly the Napoleonic wars and later in our times the two world wars.

As the governments on this side of the water acquired more power they took to themselves the right to make regulations. In particular, Newfoundland decided that since they were concerned with the fisheries around their coasts and on the banks near to Newfoundland they should be consulted whenever any treaty was being drawn up between England and France or with any other foreign power. Unfortunately Newfoundland was not always consulted and situations arose which created consternation, indignation and sometimes near riots in Newfoundland.

One agreement made between Great Britain and France caused a tremendous stir in Newfoundland. The legislature was indignant and protested. Another time the masters of United States fishing vessels thought they had the right to come into Newfoundland harbours and take bait fish to use in their fishing vessels on the banks. They used a certain kind of seine which had been prohibited by Newfoundland legislation, and not only that but they used it on a Sunday, which was an illegal day for fishing in Newfoundland. As a result we had a famous incident in the district known as Fortune Bay. Newfoundland fishermen interfered with United States fishermen and the United States government claimed compensation.

In Newfoundland we have supplies of bait and the foreign fishing vessels are very anxious to come and get that bait because up until a few years ago all vessels fishing on the banks were using trawls. These were long lines that extended for half a mile and up to five miles. They were sunk down underneath the surface of the water and every six feet or so there would be a hook dropped down. These lines would be stretched out and codfish would be caught in that fashion. Each hook had to have a piece of bait, and it was necessary to have fresh bait. It was no good bringing salted bait from Europe because the fish did not like salted bait. They were very particular and wanted fresh bait.

Therefore when these fishing vessels would cross to this side of the ocean they would come to Newfoundland to get a supply of bait and it became a very profitable enterprise for many of our fishermen who neglected the cod fishery to go into bait fishery. Many men were engaged in the bait business. I have often heard my father speak about the bait fishery in Fortune Bay. The fishermen would go there, catch large quantities of bait and sell it to the French vessels in St. Pierre or to other foreign fishing vessels, for use on the banks. But the Newfoundland government, probably representing the majority of the opinions of the fishermen, decided against that policy and passed a law prohibiting the export of bait fish.

The parliamentary assistant has referred to the Foreign Fishing Vessels Act which was passed in 1868, and which I have here. In addition to a similar act in the Newfoundland statutes we have another act called the Export and Sale of Bait Fishes Act. The two go together. What we were trying to do was to prevent foreign fishing vessels coming across from Europe to Newfoundland ports and getting supplies either of bait or of other goods such as nets, lines and hooks necessary for the fisheries. The two things

bait and other supplies went together. In addition, the fishermen could also export bait. They could catch bait and export it to these foreign fishing vessels when they were a few miles off the coast, and the purpose of the government was to try to prevent any trade of that kind with foreign fishing vessels so that they would not be put in practically the same position as the fishermen of Newfoundland.

Why were they doing that? Traditionally these countries had been using the Grand Banks for centuries, but because of the development of a national spirit on this side of the water we in Newfoundland felt—and I suppose the fishermen of the maritime provinces felt the same way about it—that, since we were so close to this natural resource, this great supply of fish, we had greater rights, or if we did not have greater rights there was no reason why we should go out of our way to help fishermen who had come across from Europe so that they could be in the same position as Newfoundland fishermen.

Portugal, Spain and Italy were great importers of Newfoundland codfish, and certainly up until the beginning of the first world war took tremendous quantities of Newfoundland fish. They were our principal export markets. During the first and second world wars it was not very easy to export salt fish to those countries, but since Portugal and Spain were neutral countries, large quantities of salt codfish could still be sent to them. However, since the second world war and because of the development of the bad exchange position, neither Spain nor Portugal has been in as good a position as formerly to purchase our fish. Spain particularly, on account of having undergone a civil war, was in no position to buy and has bought very little fish for many years. Portugal, however, did.

During the past fifteen or twenty years all countries have been paying more attention to the prosecution of the fisheries, and Italy, France, England, Spain and Portugal have embarked on a deliberate policy of increasing their fishing fleets. So far as Portugal is concerned, it still has a large fleet of what we call bankers in Newfoundland. These are vessels which use dories. One man goes out in a boat and catches fish by the use of the trawl that I described a little while ago. The other countries particularly, and Canada as well, now use vessels which are called trawlers. The trawls are not like the small hand trawl but are machine-operated trawls, and the vessels using them are better known to the trade as draggers. By trawling or dragging a big net across the smooth bottom of the banks they take in huge quantities of all kinds of fish that are there, big and small.

Until a few years ago the policy of Canada was to prevent vessels of that kind being operated off the Atlantic coast, but the government of this country could not prevent the Spaniards, the British, the French, the Portuguese and the Italians using their draggers, and they have been using them and catching great quantities of fish. Canada also uses draggers. In 1951 the fishermen of Newfoundland, as I mentioned the other day, formed a federation. I believe it was the secretary of the organization who a short while ago criticized the policy of the government in permitting foreign fishing vessels, especially those of the Portuguese, to come to Newfoundland and get supplies not only of bait but of other things that they need to carry on the fisheries, and then catching large quantities of codfish to take home and because of this purchasing less Newfoundland salt codfish.

It seems to be a foolish policy for the government to permit foreign fishing vessels to come here and be fitted out and assisted in every way in catching codfish to be cured in Portugal while at the same time the Portuguese market for salt codfish has been declining. I understand that the position taken by the Portuguese is that at the present time they cannot get the kind of fish they want. They say they want larger fish than the Newfoundland trade is able to supply. Most of the large fish are used in supplying fresh and frozen fillets for export to the United States. Therefore there is only a small quantity available for sale to the salt codfish markets.

Recently the Portuguese did purchase a mixed quantity of 35 per cent large and 65 per cent small fish, but only under pressure. I have heard no statement from the parliamentary assistant with respect to what the attitude of the government is going to be on this matter. All we have is a bare statement similar to what was given in the other place which gives no more information than can be ascertained by looking at the bill that is before us with the explanatory notes on the side. It seems to me there is not sufficient information contained in the bare statement of the parliamentary assistant for the house to get a proper understanding of this legislation. I know that this is going to be applicable to all of Canada, but how far, practically, will it be effective in other parts of Canada, apart from Newfoundland? Foreign fishing vessels coming from Europe seldom use ports other than Newfoundland. I understand some of them went into Sydney up until July 1 when that was stopped. I do not know how

the practice originated and it would be interesting if either the minister or his assistant would tell us how they came to do that if it was illegal. What is going to be the policy of the government in regard to a matter of such vital importance to Newfoundland? The minister or the parliamentary assistant might also tell us what is going to be the position in so far as Newfoundland is concerned especially. I know this concerns the Pacific coast but I would like to know how it affects us in Newfoundland at the present time.

We would like to know what countries have the right by treaty to go into Newfoundland waters at the present time? I understand that United States vessels have that right although they do not exercise it. Have any other countries got that right? Are the other laws to which I referred as being in effect in Newfoundland, the Foreign Fishing Vessels Act of Newfoundland and the Export and Sale of Bait Fishes Act, going to be continued in force? I understand that, under the terms of union between Newfoundland and Canada the laws in effect regarding fisheries are to continue for five years, except that by agreement with the provincial government they may be altered. Has there been any agreement or is there any intention of altering those laws regarding those fishing vessels entering Newfoundland, or the export of bait fish?

I said a few moments ago that we had a wonderful supply of bait fishes. They have some of these bait fishes in other parts of Canada as well. First of all there is herring, a fish that is quite common and which can be found along the maritime coast as well as that of Newfoundland. Then we have caplin. I am not sure but my hon. friend from Gloucester could perhaps tell me whether they have caplin in New Brunswick. Caplin are small fish, something like smelts. They come in millions all along the coast of Newfoundland and are very useful bait for certain periods. Then, of course, we have the squid, which is the most valuable bait of all. I think it is found chiefly in Newfoundland waters.

Recent developments in connection with the abandonment of fishing vessels pure and simple—that is, using hooks and line—is something upon which we should have a pronouncement some time or other. I understand that, following the Maclean report back in 1929, Canada is against the use of draggers. At the present time there is an attempt being made to have an international agreement upon the question to what extent they can be used. There is no doubt about it, they are going to have an effect on the quantity of fish—codfish and haddock—available for marketing.

There is another type of fishing going on out there which the Spaniards are using. It seems to me, if we prohibit foreign fishing vessels from going into our ports that by the use of mother ships such as the parliamentary assistant has referred to or by the use of St. Pierre and Miquelon as a base for supplies, they could get around the difficulty of supplies even if they could not get bait. The Spaniards are using these pairs of small fishing vessels which are reputed to have already depleted the fisheries in the Irish sea and along the Spanish coast.

There is another feature about the policy that seems to be adopted by the government at the present time which I would mention. In 1950, when the government decided that it would assist the fisheries of Labrador and Newfoundland by invoking the Fisheries Prices Support Act, the minister stated that anyone who went to Labrador fisheries would do so at his own risk. As a result, many vessel owners sold their vessels and today there is little fishing done along that long stretch of Labrador coast from Blanc Sablon to Cape Chidley, a distance of 1,000 miles. What is going to be our attitude about foreign fishing vessels coming over here and going to Labrador when, as sometimes happens, they do not find fish on the Grand Banks? We are not using that fishery ourselves; we have discouraged our fishermen from going there. But are we going to allow foreign fishing vessels to go there?

The Portuguese government has a definite policy of assisting their fishermen right from infancy. They have a housing scheme for their fishermen; they have schools to train their fishermen, and they train them from childhood up until they take their place with fishing vessels as full-fledged fishermen. They teach them navigation, how to make nets and to do other things connected with fishing. They show an interest in fishermen with which the policy of this country cannot at all compare. The Portuguese fishermen are fine men, as I have said, and they come into our ports and we have a good deal to do with them.

Finally, it seems to me that we should have a pronouncement from the minister or his assistant on these matters that I have mentioned. What is going to be the policy of the government in regard to these fishing vessels? While I know that it is not in order to make a specific reference to any particular section, it seems to me that the section dealing with the regulations is so broad that i

does require comment. If the parliamentary assistant would only look at one subsection of the act he will see that it certainly raises questions.

The governor in council may make regulations—

—for vessels to enter Canadian territorial waters—

—for any purpose specified in the regulations.

Well, surely, a regulation or a provision of that kind in an act is too broad altogether. The regulations included in an act should have some definite purpose that is disclosed in this house when the bill is introduced. However the matter is going to be referred to the committee and perhaps this point will be further discussed there.

Mr. J. H. Dickey (Halifax): Mr. Speaker, I should just like to say a word on this bill.

This resolution, introduced by the parliamentary assistant, is one of great interest to the province of Nova Scotia. I wish very briefly to thank the parliamentary assistant for the information that he has given to the house on this very important matter. As I understood what he had to say, this legislation which will follow the motion, and the regulations which the governor in council will be empowered to make under the bill, will open the way for the removal of an anomaly with respect to foreign fishing vessels using Atlantic ports, a matter that has caused some concern in our province. I know that the Nova Scotia Liberal members of this house have, in the past, made very strong representations to the minister and to the department respecting this matter. We are very pleased with the indication that action will be taken to rectify the situation.

Mr. C. W. Carter (Burin-Burgeo): I do not intend to prolong the debate on this bill, Mr. Speaker, because I understand that it is going to be considered by the standing committee on fisheries. There are, however, one or two points that I should like to bring to the attention of the house at this time. This bill deals with the protection of the fisheries, and its scope is therefore restricted to our territorial waters. In my province some of the best fishing grounds, which would be called inshore fishing grounds, lie outside territorial waters about 15 or 20 miles off shore. I realize that the very best way to obtain protection of those fisheries is by an international agreement with the countries concerned. For that reason, I am following with a great deal of interest the progress that is being made in this direction by the northwest Atlantic fisheries commission. We know from experience, however, that international agreements take a long time to negotiate. In the meantime, I feel that some thought should be given to the extension of our territorial waters.

Some years ago Norway submitted a case to The Hague court, which tribunal I believe handed down a ruling which endorsed the principle of headland to headland in delineating the territorial waters of that country. I doubt if even that ruling would afford very much protection to the fishing grounds in my province. In any event, I believe it is worth giving some thought to, and I should like to see that principle applied by drawing a line from Cape Sable to Cape Race. This would ensure the protection of the major part of the fisheries in the Atlantic provinces. If that does not prove feasible, I think the time will come when we shall have to give some thought as to whether or not we might extend our territorial waters to the continental shelf.

Now, when the former minister of fisheries was introducing his estimates last year, I believe it was June 19, the member for Cape Breton South (Mr. Gillis) mentioned that foreign ships were permitted to have free entry into Newfoundland ports, while at the same time they were excluded from the ports of Halifax and Sydney as well as other ports in the maritime provinces. In reply to that question, the minister pointed out that this was due to an old ruling which had been allowed to lapse during the years of war, and was being more strictly enforced. He promised that the situation would be taken care of when the bill was revised, as is being done in the measure we have before us.

When he was replying to the member for Cape Breton South, if I remember correctly, the Minister of Fisheries expressed the hope that these permits which foreign countries would have to get would be used as a sort of bargaining power between the countries concerned and ourselves. When the member for Cape Breton South raised his question, I think he had in mind the fact that certain firms in the maritime ports were placed at a disadvantage in comparison with Newfoundland firms at St. John's. I believe we all agree that all firms in all parts of Canada should have equal rights and no firm should have one advantage which does not apply to the others. The relationship that existed in Newfoundland was not only an advantage to the merchants of St. John's; its main feature was the bargaining power which it gave us with Portugal, to whom we sold the major part of our salt fish.

I believe the time has come when we must again begin to use some of our bargaining power with Portugal. The friendly attitude which we felt that Portugal always had for

us seems to be deteriorating in these later years. We find that they are now driving a much harder bargain than they used to do. They insist upon having the choicest fish, and insist upon fish from Newfoundland of a higher standard than they are prepared to accept from other countries. Last March I had to bring before this house a situation in which some Portuguese draggers were dragging in territorial waters and becoming a menace to inshore fishermen from my riding. Also, we have reason to think that some of these Portuguese trawlers offer such high prices to the Newfoundland fishermen for bait that they are no longer interested in getting bait for sale to our cold storage plants, which are the only source of supply for our Newfoundland fishermen. I believe that these points might well be borne in mind, and that the principle of bargaining might well be considered when these permits are being issued.

The only other point I should like to make, Mr. Speaker, is that any comparison between the advantages enjoyed by merchants or business firms in the maritime ports with those enjoyed by the merchants in Newfoundland ports tends to set up a sort of conflict of interest between the two provinces. I suppose in a competitive system such a thing is normal, and so long as it remains on that level between firms in one province and firms in another province I do not think we should worry too much about it. But the thing that worries me now is that we have removed that situation from the local level of individual firms and placed it on a provincial level, and now it becomes a conflict of interest not between firms but between one province and another.

If a situation should ever arise in which Newfoundland, in order to export its fish, or in order to ensure European markets for fish, should wish to have those permits rescinded, I can see that the people in the maritimes would raise some opposition to it. That would be a situation which would tend to mar the unity of purpose and the unity of interests which should exist between one province and another in this great nation of Canada.

I have just one more point, Mr. Speaker, and that is this. While we are considering the protection of the fisheries I should like to point out that we need to protect our fishing grounds not only from foreign draggers but also from local draggers, because on those small inshore fishing grounds the local dragger can do just as much damage as a foreign dragger. These are very small areas, and once they have been dragged over for twenty-four hours or forty-eight hours the ground is not of much use to the inshore fishermen.

I think that covers most of the points that I had in mind and I trust that the minister will find it possible to give them some consideration when this bill goes before the committee.

Mr. A. M. Robichaud (Gloucester): Mr. Speaker, this bill to protect the coastal fisheries does not affect any principle of any particular interest to the north shore of the province of New Brunswick, inasmuch as it is a rather rare occurrence that we have foreign vessels coming into our ports. When they have come it was to obtain a supply of bait.

As I said at the outset, it is a rather rare occurrence that foreign vessels come to our ports, but I have listened with interest to the exposé made by the hon. member for Prince (Mr. MacNaught), the parliamentary assistant to the Minister of Fisheries, and I understood that the main purpose of the bill was to prohibit foreign vessels from entering Canadian territorial waters. Yet, from a cursory examination of the proposed legislation which I have made, it strikes me that the proposed bill goes farther, and that in certain instances—if the departmental officers of the Department of Fisheries will read this bill over again they will realize it—the legislation directly prohibits the entry of a Canadian vessel into our own territorial waters.

I realize that at this stage of the legislation, according to parliamentary procedure, I am not supposed to refer to any particular section of the bill. I will do that when the bill reaches the committee stage. But I invite the hon. member for Prince and the legal officers of the Department of Fisheries to study this bill again and I am sure they will realize that there are prohibitions in this bill as against the master in command of a fishing vessel, and a fishing vessel, according to legal interpretation, without any specification is general and could mean my vessel or my brother's vessel in Shippigan. It is in view of the fact that, according to its context, the proposed bill hits or could probably hit the Canadian fishermen that I rise on this occasion to bring this matter to the attention of the departmental authorities because, as the hon. member for Prince said in his remarks, higher fines and stiffer penalties are provided for infractions of this legislation by foreign vessels. I hold no brief for masters of foreign vessels, but I certainly would like the department to clothe with as much protection as possible our Canadian fishermen. In my submission,

there are dangers and apparent dangers, from the wording of this bill as it now reads, for the masters of our own Canadian vessels.

There are certain sections of the bill which make the entry of even a Canadian vessel into our own territorial waters an offence, and the same penalties in such a case would apply against the master of a Canadian ship just as they would apply to the master of a foreign ship. I submit, sir, that that is unfair.

I said a moment ago that the fines were considerably increased, and so they are. In some instances the fines provided by the former act are increased over fifty times what they were, and in other instances twenty-five times what they were heretofore. Again I say, as regards the masters of the foreign vessels I am not concerned, but I do say that such an increase in penalties for possible violations by the masters of our Canadian vessels is totally unfair.

Then, Mr. Speaker, there is also an attempt —I would not say it is intentional—in the terminology of this bill to take away from an accused, for instance, the master of a Canadian vessel who commits an infraction of this law, the possible defence that he would have of lack of intent. We have similar legislation in our Criminal Code, for instance, with respect to obstructing a peace officer. Hon. gentlemen know that this offence is triable in several alternate ways, first, by indictment; second, by summary trial, and third, by summary conviction. But the point I wish to make at this stage, Mr. Speaker, is that the offence provided by section 168 of the Criminal Code for obstructing a peace officer is prefaced by the important word "wilfully". Hon. members know that "wilfully" is synonymous with intentionally or deliberately.

The hon. member for Prince will admit that there is a similar infraction provided for in the bill now before the house, that of obstructing a protection officer. As I said before, when the bill reaches committee stage I shall refer more particularly to the section in question. The word "wilfully" is omitted from the offence of opposing or obstructing a protection officer, and I submit that this is most unfair, especially to any of our Canadian masters of ships, or seamen who might be taken to court on the offence of obstructing a protection officer under the proposed legislation.

Ever since I have been practising law, I have noticed that there is a general tendency in federal legislation to take away as much as possible from the individual certain rights and privileges which he has been guaranteed under both British and Canadian jurisprudence from time immemorial. Every new piece of legislation that comes before this House of Commons, and those coming before some provincial legislatures, seem to try to take away, bit by bit, rights which we have enjoyed for centuries.

I submit that one of those rights is taken away by this very bill, through the absence of this most important word "wilfully", and I am sure counsel who have acted in defence will realize the importance of the word "wilfully" in a penal statute. Hence I submit, for the attention of departmental officers, especially the legal officers in the Department of Fisheries, the points I have made, and suggest that they should reread the whole context of the bill. I am hopeful that they will agree with me in what I have said about the word wilfully, and I think they will also agree that possible offences are created by the bill which would apply not only to foreign captains but, in certain circumstances, unfortunately to the masters of Canadian ships. This is so because of the generality of certain sections where reference is made only to a fishing vessel, without the reference being prefaced by the word "foreign".

As I said before, realizing the limitations placed upon me at this stage in procedure, I do not believe I can discuss the matter further. I see my hon. friend, the hon. member for Prince, nodding his head, so that I should think he is already seized of the point I have made at this stage. I would hope that the necessary corrections would be made in this piece of important legislation, before it is submitted to committee. If the corrections are not made, it will be my duty on behalf of the captains of our Canadian fleet to rise again and to bring more fully to the attention of the house the points I have in mind at the present time.

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I do not wish to go over the ground already covered by the hon. member for St. John's West (Mr. Browne), or by my colleague the hon. member for Burin-Burgeo (Mr. Carter).

This bill will have far-reaching effects on the fishing industry in the province of Newfoundland. As I see it, the bill itself is not as important as the authority it will give in the matter of making regulations. The regulations will be the deciding factor in the reception accorded the bill by the authorities in Newfoundland.

In that province we shall have a serious situation if the regulations are enforced so as to debar foreign vessels from coming to our ports for supplies. It will affect adversely the pleasant relations we have had with foreign countries for hundreds of years. Anything that will upset the friendly relationship existing between Newfoundland and

Portugal for decades will be a serious thing for Newfoundland. We sell and have sold large quantities of salt fish to Portugal. Although we want to be in a position to bargain with them, we do not want to be in the position of dictating to them.

If the regulations to be made as a result of the passage of this legislation are used in a dictatorial manner, they will be detrimental to the relations which have always existed between Portugal and Newfoundland. And what applies to Portugal applies also to Spain and possibly to Italy.

At the present time a situation is developing on the Grand Banks off the coast of Newfoundland pointing to depletion. As some hon. members will know, the Grand Banks have been the breeding ground for countless millions of fish for decades. It is the feed brought up by the gulf stream and deposited on these banks which feeds the fish and nurtures them. From that breeding ground countless millions of fish come to the shores of Newfoundland year after year.

There is now evidence that depletion is taking place in certain areas of the Grand Banks, and if this continues it will certainly affect shore fishing in Newfoundland. We need some protection there. The only way I can see to bring this about is by international agreement with those countries which use large draggers and up-to-date modern trawlers which are coming in increasing numbers to Newfoundland waters, and fishing in our waters, or off the coast of Newfoundland, year after year.

Anyone who will go to St. John's in the summer can see them by the dozen, running up to a tonnage of about 2,000 tons. They can catch, cure and store huge tonnages of fish—and they have been doing it. We do need protection, so far as the Grand Banks are concerned, or depletion will take place in that area as it has taken place off the coast of Nova Scotia, and the coast of New England in the United States.

If our regulations are made so as to give us bargaining power whereby we can make agreements with those foreign countries which fish in our waters, then I am all for them. But if we use those regulations as a means to dictate to other countries what they shall do, then I say we are in danger of upsetting the friendly relationships we have had with those countries for many years.

It is the policy of Portugal to be self-supporting in its supply of fish. Because of intensive fishing by the Portuguese they do not need such great quantities of fish from Newfoundland. We may have a point in the regulations whereby we can induce them to increase their purchases from us by giving them certain concessions in connection with getting supplies, and fishing in Newfoundland waters.

As I see it, the bill is all right; but what will come from the bill, and what regulations will be used to make our position as a fish-producing and exporting country better than it has been, is what is really important.

Then, making reference to territorial waters, or the three-mile limit, it is possible that some hon. members may not know this demarcation was brought about by the international court at The Hague many years ago because of action taken by the then government of Newfoundland. However, I shall not discuss that in detail at this time.

I find upon reading the bill that it gives power to designate what shall be coastal waters. What do you mean by that? Are you going to make it twelve miles or twenty miles? Are you going to stick to the three-mile limit? Internationally, three miles is the recognized limit. We have had no answer to that question and perhaps we will get it in committee.

This bill and the regulations which will follow will have far-reaching effects on the fisheries of Canada, particularly those of the province of Newfoundland. I do hope that when it is before the committee it will be given the closest scrutiny so that we will have legislation which will be worthy, not only of the province of Newfoundland but of the whole of Canada. I think it is time that we had such legislation, but it must be scrutinized from all angles so that no province in this great country will be penalized by what we do here.

I listened with considerable attention to the parliamentary assistant and I realize that there are many points that need to be clarified. If he can clarify them to my satisfaction I shall be very happy. The people in Newfoundland are viewing this bill with some concern and they are taking it quite seriously. They will want to know what regulations are contemplated under the powers granted by this bill.

Mr. J. A. MacLean (Queens): Mr. Speaker, there are a few observations I should like to make with regard to this bill and in making them I shall not labour points that have been raised already. As I understand it, this bill seeks to extend the territorial water which may be designated for the purposes of the act. I think that is a most important point. Our coast line, especially on the Atlantic, is most irregular and if our territorial waters

are to be interpreted as being within three miles from land, foreign vessels would still be permitted to enter many of our bays and waters which we look upon as being territorial waters. It seems to me most important that action should be taken to extend our territorial waters for the purposes of this bill as far as international law will permit so that our coastal fisheries may be protected in the way intended by the bill.

A second point comes to my mind which may have been provided for already. I refer to deep-sea sports fishing. I do not see any mention of that in the bill and I am wondering if restrictions will be placed upon this type of fishing, which is most important to certain parts of the maritimes where tourists from many countries come to do deep-sea fishing, particularly tuna fishing, out of the smaller fishing ports along the coast.

The third point that comes to my mind is in connection with the operation of Canadian fishing vessels by foreign interests. I am not legally trained, but as far as I can see the decision as to who may or may not fish within our territorial waters will be made upon the basis of the ownership of the vessel involved. I may be wrong, but it seems to me that a provision of that kind could be got around by some foreign interests leasing a Canadian registered vessel which could be operated within our territorial waters for their own interests, the fish being taken to their own country. Those are my main points.

With the indulgence of the house I should like to mention in passing one other matter which has some relation to this subject. Recently there has been considerable publicity in the press to the effect that the U.S.S.R. has been quite worried over the fact that a small island in the maritimes has been purchased by fishing sportsmen from south of the international boundary. The U.S.S.R. seems to be worried that the poor fishermen on that island are having their rights taken away. Perhaps the minister could put them straight by indicating that none of the sovereign rights of this country has been forfeited to any capitalist from any other country.

Mr. T. A. M. Kirk (Digby-Yarmouth): Mr. Speaker, I should like to take just a moment to express appreciation, on the part of the fishing interests in my constituency, of this particular bill. When it first came up in the Senate some seven weeks ago it received a certain amount of publicity in the newspapers. During the Christmas recess several people who are interested in the fishing business in Yarmouth and Digby counties spoke to me about this bill and indicated that they thought it was good legislation. They thought it timely that a bill which had been passed eighty-five years ago and had not been amended in the last forty years should be amended and clarified. In fact, several of them spoke to me to this effect: During the last three or four years it would appear from reading *Hansard* and the newspapers that there is more interest on the part of members of the house in our fisheries and the problems facing this industry than there has been at any time during our lifetime.

It certainly did my heart good to realize just what interest has been shown in the last three or four years, and progressively during each of those years, and that that should be realized by the people of those constituencies which are keenly interested in the fishing industry.

There is one particular part of this bill—Mr. Speaker, I shall be careful not to refer to the sections—which is of great interest to the people living along the Digby Neck and on the islands in Digby county. For a number of years they have been worried over the fact that United States draggers are fishing along that coast. I have referred to this time and time again in the house and have had innumerable interviews with the Department of Fisheries. I know that the department is keenly aware of the problems involved. One of the chief difficulties is indicated by the claim made by the fishermen living along that shore that, after daylight, that is during the hours of darkness, these foreign fishing vessels fish within the three-mile limit.

We all know how difficult it is to decide just where the three-mile line is off the shore. But these fishermen know the coast quite well. It is frequently said of them that they can be out on the water completely surrounded by fog, not being able to see land at all, and by looking over the side can tell exactly where they are because they have a mental picture of the type of bottom under the water. I think that is true of many of these fishermen who fish these waters.

They are worried over the fact that these foreign draggers may be coming within the three-mile limit. The Department of Fisheries is attempting to patrol these waters and I believe they will continue to do so. I suggest that the patrol vessels be sent in during the hours of darkness. I believe that the provisions of this act covering penalties for infractions of the regulations, providing for seizure, confiscation and detention, will have a salutary effect upon those who it is claimed

are now fishing within the three-mile limit and disobeying the international laws in that regard.

The hon. member for Prince Edward Island has just referred to articles in the Soviet press indicating worry in connection with what is happening on Outer Baldonia, a small island in my constituency which is perhaps only four or five times the size of this chamber. Their concern is received with great amusement by the people of this country, and certainly by the people of that area. For his own edification and that of the hon. members of the house, may I say that no one lives on the island. It is an island not far from the famous Soldier's Rip where fishermen of several countries go to engage in the sport of fishing for the huge tuna. No fishermen live on the island but a few sportsmen go there for a few days each year. They have had a great deal of fun in the setting up of this mythical kingdom of Outer Baldonia. I think we have succeeded in giving the press of a certain totalitarian country a certain amount of amusement. They may not think it is amusement but it certainly is to the free world. I do not think it does any harm to Outer Baldonia or to the constituency of Digby-Yarmouth to have a little free publicity, and along with the good points in this bill I think it will be of benefit to the constituency and to the fishing industry of the area.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, those who have taken part in the debate this afternoon have all represented constituencies on the Atlantic seaboard. This bill, though possibly designed largely to meet conditions on the Atlantic coast, will also apply to the Pacific coast. Therefore I feel it is only right that I should say a few words with respect to the application of the bill to the Pacific coast, particularly as it will be a long time before we will have an opportunity to discuss it in committee of the whole inasmuch as I understand it is to be referred to a special committee. No great help will be given to the fisheries industry of the Pacific coast unless Canada defines quite clearly her territorial responsibility over the waters adjacent to the coast.

At the present time there is no clear-cut definition even of the so-called three-mile limit. Up to a few years ago the line from which the three-mile limit extended was taken by general international agreement to be from the low-water mark which follows the various indentations of the coast line. I think it was in December a year ago that the Norwegian government appealed to the international court respecting the definition of their territorial waters and particularly how the base line should be drawn along their coast. As a result of the Norwegian claim a number of points were selected along the coast line. Sometimes these were on the coast, sometimes on islands, and sometimes even on rocks at a considerable distance from the mainland of Norway. These points were then connected by straight lines running from point to point and by the use of these straight lines the waters claimed to be territorial waters of Norway were designated.

On the Pacific coast the strait of Juan de Fuca separates the southern portion of Vancouver island from the state of Washington. Under an international agreement a straight line was drawn down the centre of that strait. When you clear cape Flattery, a point in the northwest section of the state of Washington, the description of the territorial waters then ceases. But a practically straight line can be drawn from a few miles to the west of Victoria, certainly from the entrance of the strait of Juan de Fuca, which would run in a northwesterly direction clearing the headlands of the west coast of Vancouver island, clearing Queen Charlotte islands and joining with the international boundary line in Dixon strait.

The advantage of a clear definition of territorial waters by a very nearly straight line is that it would be possible for protective craft to recognize if there were foreign vessels poaching in those waters. Fisheries protective craft would be able to see that the regulations imposed by Canada were being carried out in these clearly defined waters. Unless it is possible to define our territorial waters clearly, it will not be possible to establish full jurisdiction over them, and until we can establish jurisdiction over these waters, which are frequently inhabited by fish that we harvest at various times, it will be impossible to provide adequate protection for our fishing industry.

There are two great areas of inland water which are excluded from being considered as territorial waters if the three-mile limit following the indentations of the mainland coast of British Columbia is accepted. These are of course Queen Charlotte sound and Hecate strait. A very high percentage of the fish harvested on the Pacific coast frequent these two bodies of water at one time or another. I consider that it is imperative that these waters should be included and designated as Canadian territorial waters. We must have jurisdiction over them if we ever hope to provide adequate protection for the fishing industry of British Columbia. At least 50 per cent of the salmon caught for canning purposes are caught beyond the so-called three-mile limit. Fish which are beyond territorial waters are fair game for the fishing

vessels of any country. Therefore I feel that the first thing which must be done is to define our territorial waters, the waters over which we can and will exercise jurisdiction. Otherwise we cannot begin to offer protection to our fishing industry.

There is one other point I would like to refer to in this bill. There must be adequate means for enforcing the regulations which are made. This bill indicates steps which will be taken when vessels are seized for infractions of the rules and it is noticeable that there are different regulations for seizure and forfeiture of foreign vessels on the Atlantic coast than exist on the Pacific coast. I suggest that what is sauce for the goose is also sauce for the gander. If vessels from European countries are being seized for infractions of the regulations on the Atlantic seaboard, and are being tried by Canadian courts, then surely the same sort of provision should exist for foreign vessels infringing on the regulations covering Canadian territorial waters on the Pacific coast. If those vessels are seized, their captains and masters should also be tried in Canadian courts instead of being handed over to a foreign country for trial. I feel that the provisions which exist on the Atlantic coast should be applicable on the Pacific coast.

I will finish by once more emphasizing the fact that unless our territorial waters on the Pacific coast are clearly defined no real protection can be given to our fishing industry. Clear definition of those territorial waters must be made from a more or less straight base line. The best and in fact the only line which can be acceptable to the fishing industry of British Columbia is a line which includes as territorial waters those great fishing grounds of Queen Charlotte sound and Hecate strait. It is a simple process to draw a straight line on the western shores of Vancouver island to Queen Charlotte island. I am not sure whether it is necessary to go as far into the ocean as the edge of the continental shelf but it is essential that a clearly defined line be drawn on the west coast of those islands.

Such a line could not interfere with any international shipping because international shipping coming from Asia would be clear of those territorial waters until it entered the strait of Juan de Fuca. Ocean liners crossing the Pacific are still considerably west of the continental shelf as it runs north from the strait of Juan de Fuca paralleling Vancouver island on the west coast.

I hope that most careful consideration will be given to this bill when it goes before the standing committee to ensure that full protection is given to the fishermen of British Columbia by defining these territorial waters and by making them include grounds which our fish frequent and where so much effort, time and money has been spent in conserving different species. I also hope that consideration will be given to having the same means of enforcing the regulations applicable on both east and west coasts of this country.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, I do not intend to say very much on this particular bill but I do agree with those who say there is a muddle so far as our territorial waters jurisdiction is concerned. I think the time has arrived—it arrived some time ago—when there should be some sort of international convention at least between the United States and Canada regarding jurisdictional limits of the two countries.

I do not like to take up time with particular cases in matters of this kind but I do suggest that, as far as the island of Cape Breton is concerned, we have very poor protective service for our territorial waters. In November, I think it was, three unfortunate fishermen at Petite de Grat, which happens to be in my constituency, lost trawls to the value of some $700. They were wise enough, intelligent enough and observant enough to get the name of one of the American vessels that was there. They made their complaint, as I think they should have done, to the officers in Halifax, and I have no doubt that those officers took the matter up here. Nothing was done about it. I wrote to the department the other day, and I must say that as far as the officials are concerned, in Ottawa and perhaps everywhere, the department is splendidly managed. In my letter I pointed out that these were poor people, that they had small boats—small trawls—and I got an answer to the letter to the effect that the fishing protective boat went out and looked at the situation. It appeared as if the American trawler which had destroyed their nets was within the three-mile limit but the government boat was not sufficiently equipped to indicate, by cross bearings, exactly where the trawlers were. The department said they had another case at Yarmouth, and I think it was the case brought by the hon. member for Digby-Yarmouth (Mr. Kirk). They said that they had asked the Department of External Affairs to warn the United States vessels to keep off our shores.

Now, Mr. Speaker, I do not think that is good enough. I think there should be some way of reimbursing these people. They have the name of that vessel and there

should be some way of reimbursing these poor fishermen without their having to go to the necessity of bringing an action. As a matter of fact, they are not able to do that because of their financial situation.

I have been looking over this bill and I do not know exactly what the department proposes in matters of this kind. Section 6, of course, says:

> Whenever a protection officer suspects on reasonable grounds that an offence against this act has been committed, he may seize
> (a) any fishing vessel—

And so forth. That is all very well when the protective vessel finds the offending vessel within the three-mile limit; but what is going to happen when the vessel goes in there, does damage to these poor fishermen, and then leaves the jurisdiction of Canada? I think something should be done about that.

I am not finding fault with the officials of the Department of Fisheries, but I do rather find fault with the gentleman who wrote me that letter. I wrote back to him and asked him what was the good of having protective vessels on our coast if they were not sufficiently equipped to be able to indicate where the three-mile limit ends or begins. I am bringing this matter to the attention of the minister and I hope something will be done to alleviate the difficulties of these particular men I speak about.

I want to say, Mr. Speaker, that I am not finding fault at all with the departmental officers in Ottawa or anywhere else, but I do believe they should at least take a little more interest in such matters as I have brought before this house. I do not know what they have done in the case mentioned by the hon. member for Digby-Yarmouth. I understand that the burden is being put on the people who lost their equipment to bring action against the vessel that destroyed the equipment. Well, I do not think that is good enough, either. I believe there should be some other way of reimbursing people whose equipment, trawls, nets, and so on, have been destroyed by United States trawlers.

Mr. Howard C. Green (Vancouver-Quadra): This bill, Mr. Speaker, is described in the explanatory note as one to replace the present Customs and Fisheries Protection Act. For the first time we have the word "coastal" appearing in the title of the bill. It is to be known as the Coastal Fisheries Protection Act. It is described as an act to protect the coastal fisheries. Now, those words "coastal fisheries" are not defined in the act, but there is a reference to Canadian territorial waters. I suggest to Your Honour that the foundation for the whole bill is the definition of Canadian territorial waters. If the definition is not clear, then there is great uncertainty about the whole bill.

It does seem to me that the most important question to be considered by the standing committee on marine and fisheries is this question of what are Canadian territorial waters. It is quite appropriate that that should be decided by the marine and fisheries committee, because "territorial waters" involves our fisheries more than any other activity in the country. I cannot quote from the bill itself, but if hon. members will refer to the interpretation section they will find that there is nothing definite there about this question of Canadian territorial waters. I believe that the only conclusion anyone could reach, if the bill remains as drawn, is that the three-mile limit is to be the test. I do not believe that is satisfactory in the year 1953.

During consideration last year of the draft international convention for the high seas fisheries of the north Pacific ocean, this same committee considered the problem of Canadian territorial waters. The question gave the committee some difficulty, and I notice that in the report tabled on June 10, 1952, there was a reference to that question in these words:

> Your committee was also aware of the great importance of further extending improved international co-operation and good will so that in the near future such matters as the territorial waters' limits, after thorough study and investigation, may be resolved.

I urge that the committee go into this question thoroughly in its sittings during the present session.

The hon. member for Nanaimo (Mr. Pearkes) has outlined very clearly our wishes concerning the territorial waters of the Pacific coast. We believe that the line should be drawn in such a manner that the water between Vancouver island and the Queen Charlotte islands, which is known as Queen Charlotte sound, and the strait between the Queen Charlotte islands and the mainland of British Columbia which is called Hecate strait, should be declared by Canada to be Canadian territorial waters.

I do not believe we are likely to make much progress in meeting this question of what are and what are not territorial waters unless this committee on marine and fisheries takes the lead. I hope that will be the course followed in the committee during this session.

The Acting Speaker (Mr. Robinson): Order. May I remind hon. members that if the parliamentary assistant to the Minister of Fisheries (Mr. MacNaught) speaks now he will close the debate.

Coastal Fisheries

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I wish to thank all hon. members who have taken part in this debate this afternoon. Their remarks have been very helpful, and will no doubt be useful to the standing committee on marine and fisheries when it considers the bill section by section. Most of the members who took part in this debate agreed that the matters brought up by them were largely matters that could be dealt with only when the bill was referred to the committee.

At this time I wish to state that the minister would have liked to have been able to remain in the house during this debate. Unfortunately, he had to leave to catch a plane. It was remarkable that he had to leave during the remarks by the hon. member for St. John's West (Mr. Browne), because the plane he was going to catch was one which would take him down to the hon. member's province. I am sure the hon. member will understand the necessity for the minister leaving the chamber while he was speaking.

The hon. member for St. John's West asked that certain policies be defined at this time. I am sure that he will agree that that is not possible. Circumstances will vary from time to time, and it is for that reason the bill is drafted in such a manner that it permits the governor in council to grant permits for foreign fishing vessels to enter our ports. Therefore the hon. member will understand that it is impossible for me to state now what the policy of the government will be under changed circumstances that are bound to arise over the years.

I want to assure the hon. member for Gloucester (Mr. Robichaud) that the technical point he raised will be given every consideration by our legal officers. If they have merit, then amendments will be suggested accordingly.

Mr. Browne (St. John's West): Before the parliamentary assistant resumes his seat, is he in a position to answer the question I asked him as to whether there are any countries which, by treaty, have rights on our coast now? Can he tell me when the act is to come into effect, when it is given the royal assent, or at some future date?

Mr. MacNaught: My understanding is that a bill of this nature comes into effect when it receives the royal assent. On the other question asked, I am afraid that any answer I might give would not have a great deal of value. In my opinion, and it is only my opinion, there are no countries which have rights on our coasts by treaty with the exception of the United States.

[The Acting Speaker (Mr. Robinson).]

Motion agreed to, bill read the second time and referred to the standing committee on marine and fisheries.

WATER RESOURCES

ASSISTANCE TO PROVINCES FOR CONSERVATION PURPOSES

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure, such grants not to exceed thirty-seven and one-half per cent of the projects and to be paid out of moneys appropriated by parliament for the above-mentioned purposes; and to provide that all officers, clerks and employees required for carrying out the provisions of the measure shall be appointed in accordance with the provisions of the Civil Service Act.

Mr. Diefenbaker: Will the minister make a statement?

Mr. Winters: Hon. members will recall that the federal government has extended financial assistance in the past to various projects of a major character which were designed to conserve the water resources of an area and which also were of benefit in reducing the hazard of serious floods. Among these was the Shand dam in the Grand river watershed in Ontario, where federal government participation through the Department of Public Works from 1939 to 1942 was part of the over-all program designed in part to assist provincial governments in relieving unemployment. In 1950-51 assistance was also extended in the case of the Luther marsh dam, through the Department of Public Works. This dam, also in the Grand river watershed, was regarded as a necessary adjunct to the Shand dam.

In 1951-52, through the engineering and water resources branch of the Department of Resources and Development, the federal government participated in the cost of constructing the Fanshawe dam on the Thames river north of London, and through this department we have also informed the government of Ontario that the federal government will similarly participate in the proposed Glen Allan dam on the Conestogo river. These projects were all considered on their merits. They were regarded as special cases to which federal assistance, on behalf of all the taxpayers of Canada, could reasonably be given because of their nature and magnitude.

The bill referred to in this resolution seeks authority to provide a legislative basis for federal assistance for water conservation projects of a major character across Canada. The projects which would receive assistance under the bill would be, in general, of a similar type to those I have already mentioned, and federal government participation would be considered only upon an appropriate request from the provincial government concerned.

It should be emphasized that the conservation of natural resources within the provinces is primarily a provincial responsibility, and that this proposed bill does not in any way seek to establish any change in jurisdiction or responsibility. The federal government would have no proprietary interest in works towards which it might contribute.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, the outline given by the minister indicates to the house a general conception as to the nature of the assistance to be given under the terms of a bill, the resolution preceding which has just been read by you, sir. The minister went on to explain that it provides for federal assistance to water conservation projects of a major nature and of a general similarity to those to which he made reference. I feel that this is a most important resolution for this country. Apparently within its ambit will come all those water conservation plans for which the provinces will be responsible and to which the federal authority will give assistance because they have federal or national potentialities. Naturally that brings one to a general discussion of the very important subject of water conservation.

All of us will remember, Mr. Speaker, that some years ago we in the province of Saskatchewan were pressing particularly for consideration of the South Saskatchewan river dam and irrigation project. The stand taken by the government, through the Minister of Agriculture, was that in so far as the dam and its construction were concerned they could be considered as a matter of national importance, but the responsibility for irrigation and for providing the facilities for irrigation rested primarily upon the province. The minister has borne out that point of view by his short remarks in introducing the resolution. The only change in attitude that I can see as between that enunciated some years ago by the Minister of Agriculture and that comprised within the terms of this resolution is that in connection with water conservation projects the dominion will now provide thirty-seven per cent of the cost of designated projects.

Since the minister has pointed out some of the projects to which this would apply I naturally conclude that it also covers irrigation from a water project that will assist agriculture particularly.

Mr. Winters: On a point of order, Mr. Speaker, the bill which is forecast by this resolution does not embrace irrigation projects or irrigation policy. It is designed to further projects of a nature I outlined, and limits its scope to water conservation and those aspects of forest conservation in the watershed area which are an integral part of any water conservation program. I would hope, Mr. Speaker, that this resolution will not lead us into a discussion of a project such as that envisaged by the South Saskatchewan development. I think that could more properly be discussed under the Prairie Farm Assistance Act item in the estimates of the Minister of Agriculture, at a time when he is in the house to discuss it.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I can understand the applause from the government benches for the argument advanced. I am going to suggest that this resolution should include irrigation as a necessary water project for this country. Whether or not it is included I wish to bring before the house and the country the need of a resolution such as this to be of assistance to irrigation generally throughout the dominion.

Mr. Winters: It is not in this one.

Mr. Diefenbaker: Surely the minister is not going to take the stand that we are to be confined to whatever he defines at the moment as the ambit of the resolution, and be denied the opportunity of presenting the point of view of people generally, and in particular those in the province of Saskatchewan, that such a resolution as this will be either effective or ineffective depending on whether or not water conservation is to include this most important branch, namely irrigation.

Mr. Deputy Speaker: The minister has risen on a point of order, and he has indicated both in his opening remarks and in the remarks in support of his point of order that this resolution deals with assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure.

The measure which will follow the adoption of this resolution will further identify the projects. The minister has given a general picture of the type of projects to be considered. The hon. member for Lake Centre (Mr. Diefenbaker) cannot go beyond

the scope of the resolution now before the house. I do not suppose at this stage I should invoke a ruling which was made earlier by Mr. Speaker, but hon. members will recall that a discussion took place —I think it was this session, or perhaps a previous session—as to whether or not a resolution such as this is even debatable. It is debatable, but the debate should address itself to the negative of the motion, which is that the Speaker do now leave the chair for the house to resolve itself into committee of the whole.

Hon. members will recall that Mr. Speaker asked the co-operation of hon. members at that time. I am not going to apply that ruling, but I will tell the hon. member that in the discussion of the resolution, he cannot go beyond the type of projects which have been identified by the minister in his opening remarks.

Mr. Green: Mr. Speaker, may I speak on the point of order and point out that the ruling by His Honour the Speaker last year was made on June 18, 1952, and is found at page 3375 of *Hansard*. If hon. members will recall, there was a quite protracted debate on the point of order, which had taken place on several days.

The question as stated was whether or not there could be a debate with Mr. Speaker in the chair. It had nothing whatever to do with the debate that took place after Mr. Speaker left the chair. It was purely a matter of opening up that debate; and the ruling was as follows:

> After giving this matter my careful consideration I have come to the conclusion that if there is no objection to the consideration of the resolution in committee of the whole, the motion that the Speaker do leave the chair should be put without debate. If any members are opposed to the resolution, and do not think that it should even be considered in the committee of the whole, or if they require additional information before agreeing to the motion, they should be given an opportunity to speak on the motion. The minister should endeavour to answer the objections which have been raised and to give the information requested.

The minister did not raise the point that there should be no debate in this case. The minister rose in his place and made his statement. And, having done so, I submit that any hon. member is free to get up and point out his objection to the resolution, and to make a speech such as the hon. member for Lake Centre (Mr. Diefenbaker) has been doing.

The resolution reads:

> That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure—

[Mr. Deputy Speaker.]

And so on. Surely I am entitled to get up and say that I believe this measure should be broad enough to include a scheme for British Columbia, for instance, and that we are not to be met with a ruling by Your Honour that the minister can say that the bill when it comes in will not have anything in it referring to British Columbia, and that therefore the hon. member for Vancouver-Quadra cannot say anything about such a scheme.

A ruling of that kind by Your Honour, I submit, would restrict the debate entirely out of all reason. And I submit the hon. member for Lake Centre is within his rights in discussing conservation measures on the South Saskatchewan river which he believes should be undertaken under this plan.

One reason we should be allowed to do it is that we always have hope that, as a result of representations we make to the government, the bill may be changed; that provision may be made to meet our suggestions. But if we are to be met in every case with the statement by the minister, "Your suggestion has not any value, and therefore you must keep still," surely that ruins the whole efficacy of debate at this stage.

I submit the hon. member for Lake Centre is perfectly in order in making his suggestion with regard to water conservation on the South Saskatchewan river.

Mr. Fournier (Hull): I did not think the question would be brought up at this time. However, I recall the discussion that took place when it was brought up by the Prime Minister (Mr. St. Laurent), and the ruling given by Mr. Speaker. At that time we had a committee, as we have right now, to consider the procedure of the house. At this session we did not think any member would take the position that we should reverse what was done at the last session.

Forgetting for the moment that you are a lawyer, it will be noted that the motion is that Mr. Speaker do leave the chair, and that he leave the chair for some purpose. That purpose is to consider—what? It is to consider a resolution. The actual motion is not to consider the resolution; it is that Mr. Speaker do leave the chair, and that the committee consider the resolution.

For anyone who is not a lawyer this is the simplest language I can use.

Mr. Knowles: Who is being the lawyer now?

Mr. Fournier (Hull): I am speaking like an ordinary member of parliament, and I think anyone who is listening will understand my simple language. I will put the question to

the hon. member for Vancouver-Quadra (Mr. Green): When I move that Mr. Speaker do leave the chair—

Mr. Knowles: What for?

Mr. Fournier (Hull): To go into committee.

Mr. Knowles: What for?

Mr. Fournier (Hull): —so that the committee—and you are just completing my sentences—so that the committee may consider certain proposals in the resolution, the motion is not that the house should consider the resolution at this time, but rather that the committee of the whole house should consider it. When I say this I am not being technical in the use of either the English or the French language. It is just so the ordinary man and woman in the country will understand what I am saying.

You gentlemen say: "Oh, no; you have a resolution on the order paper which reads—so and so. We are bound to have that discussion while Mr. Speaker is in the chair." That is your point of view. Why do you want the discussion at this time? Let the motion that Mr. Speaker do leave the chair be put now, and in a minute the hon. member for Lake Centre will want to be on his feet. He can make all the statements he wishes to make, so long as they are relevant to the resolution. And, in committee, if what he says is not relevant, Mr. Chairman will call him to order, because he is familiar with the procedure.

But why all this argument, that you wish to have Mr. Speaker in the chair to consider something that is not before him? There is no resolution or motion before the chair right now, except the one that he do leave the chair to consider something?

Mr. Green: What is he to consider?

Mr. Fournier (Hull): The resolution; but not with Mr. Speaker in the chair. The chairman, in committee of the whole, is to consider it. That is all we are doing. If we asked to consider the resolution while Mr. Speaker was in the chair, probably we would use that language. But we are not using it. And we would have to change the rule to permit debate at this stage on the resolution, because it is not before Mr. Speaker at all.

Mr. Green: May I ask—

Mr. Fournier (Hull): Would you be patient enough to let me conclude? Perhaps if I were in the opposition I might argue something like the hon. member is doing. What you gentlemen want is a discussion, with Mr. Speaker in the chair, of the whole field of water conservation. If you have some pet project or something in mind, that is what you want to discuss. The hon. member for Lake Centre (Mr. Diefenbaker) has just mentioned that he wants to speak about the South Saskatchewan development; he wants to speak about irrigation; he wants to speak about power development.

Mr. Diefenbaker: That is misinterpreting what I want to discuss. The South Saskatchewan irrigation project is something that should be discussed under this resolution, and that is what the minister is trying to prevent my doing.

Mr. Fournier (Hull): We agree. That is what I am saying, that the hon. gentleman wants to discuss the South Saskatchewan irrigation and power development.

Mr. Diefenbaker: Not power development; irrigation and water conservation.

Mr. Fournier (Hull): All right, irrigation if you will. If I ask you, Mr. Speaker, to tell me what the motion is I know you will say: "It is moved by the Minister of Resources and Development that I do now leave the chair."

Mr. Green: To consider such and such.

Mr. Fournier (Hull): Mr. Speaker will not consider it; it will be the committee of the whole with the chairman presiding. You do not consider this with Mr. Speaker in the chair. I understand that what you want to do is to discuss with Mr. Speaker in the chair something that is not before the chair, and then you want to repeat that same discussion in committee of the whole.

Mr. Green: The minister is not making the decision as to what we want to do.

Mr. Fournier (Hull): I have seen so many of your decisions in the past that I can read your mind clearly right now. I am sure you will not contradict this statement.

Mr. Green: I will contradict you right now.

Mr. Fournier (Hull): Parliamentary procedure under our standing orders say that there should not be redundancy and repetition. This is not a Sunday school or a school, it is a parliament. I think it should satisfy any member of parliament to discuss and debate a matter at length at the right stage of the procedure. I am not going to take up too much time, as perhaps hon. members would be through with their debate.

Mr. Diefenbaker: Would my hon. friend permit a question? Would it be proper in committee of the whole to discuss the South Saskatchewan river dam?

Mr. Fournier (Hull): When we get to that bridge we will not burn it, we will try to

cross it or not cross it. When we are in committee of the whole will be the time to take up that question. The committee on procedure discussed this problem at length, although I know that opinions were divided. If you want to follow the standing orders as they are now I do not think you can debate the merits of the resolution at this stage.

Mr. Deputy Speaker: Before the debate goes any further perhaps I may be allowed to say a word arising out of the remarks made a moment ago by the hon. member for Vancouver-Quadra (Mr. Green). He referred to a ruling that I had mentioned earlier which was made by Mr. Speaker and which appears in *Votes and Proceedings* of June 18, 1952. The point as to whether or not a debate should take place with Mr. Speaker in the chair is not at issue, because debate has taken place. The Minister of Resources and Development (Mr. Winters) has not made a point of it. He made a statement and the hon. member for Lake Centre (Mr. Diefenbaker) rose and was delivering a speech when he was interrupted by the minister rising on a point of order. His point of order was as to the extent to which debate would be allowed on this resolution. That is the second point which was covered by Mr. Speaker's ruling of June 18, 1952, and I quote from page 534 of *Votes and Proceedings* as follows:

> The question on which there is some difference of opinion is the extent to which debate is to be allowed. This question was considered by Mr. Speaker Glen on the 23rd February, 1942 (*Hansard* p. 800). At that time he ruled that the debate should be directed to the negative of the motion and should be general with no reference to details.

This is the point at issue at the moment. The motion before the house is that the Speaker do now leave the chair; and according to Mr. Speaker Glen's ruling and Mr. Speaker Macdonald's ruling of June 18, 1952, the debate should be directed to the negative of the motion, that is, that I should not leave the chair for the house to consider the advisability of making the expenditures contemplated by the resolution and by the measure which is to follow the resolution.

Now, what is the limitation that the Speaker should apply when this point is raised as to the extent to which debate is to be allowed? The debate should be directed to the negative. The minister has said that the measure which will follow this resolution will deal with, and he mentioned one, two, three, four, five dam projects. I do not recall the names of the projects that he mentioned, but I was listening carefully when he was mentioning them. The resolution which is before us provides for various grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure.

This is where the limitation on debate is to be found, as I understand it. I do not want to bar hon. members from discussing projects they would like to discuss, but I am bound by the rules. As I understand the situation and as it has been explained, I must ask the hon. member not to go beyond the scope of the projects which are contemplated here and to direct his remarks to the negative of the motion which is that I do now leave the chair.

Mr. Green: Mr. Speaker, may I point out that that ruling might be correct if the resolution had referred to the five dam projects, but it does not do that at all. It refers in general to the conservation of water resources. Your Honour is now ruling on the basis that the minister can get up and virtually say that this resolution is to cover only the five projects. Surely that is not right. Since in the course of this debate we still will have to decide whether or not we believe Your Honour should leave the chair, we are entitled to have a debate on the resolution in order that we may know whether or not we believe it is right that you should leave the chair. It may be that the resolution is too restricted and for that reason we might be well advised to vote against it; but to cut off debate or restrict debate in this way by allowing the minister to get up and say that the bill is going to refer to certain projects only and therefore we can discuss those particular projects only, I submit is not within reason. For example, I have here a report of the minister—

Mr. Deputy Speaker: Perhaps I may interrupt the hon. member to say that what he has just said has convinced me more than anything else that whoever advocates that no debate should take place at this stage is right. If the hon. member will read the Speaker's ruling, to which he referred a moment ago, he will see that it was as follows:

> At that time he ruled that the debate should be directed to the negative of the motion and should be general with no reference to details.

Mr. Green: That was overruled.

Mr. Deputy Speaker: If the hon. member will look at the rule he will see that in a money resolution no reference is made to the details of the measure which is to come later. In other words, a resolution which precedes a money bill is one which indicates only briefly what the measure is going to be. The resolution provides an opportunity for hon. members to decide whether it is advisable for

the Speaker to leave the chair to consider the resolution, that is all.

Mr. Knowles: There are a few words that I would like to say on the point of order—

Mr. Deputy Speaker: I will consider this further but I doubt whether I will change my opinion. As it is five o'clock we will now consider private and public bills.

CRIMINAL CODE

LIABILITY OF DIRECTORS OR OFFICERS OF CORPORATIONS

On the order:

Second reading of Bill No. 6, an act to amend the Criminal Code and the Combines Investigation Act (liability of directors).—Mr. Argue.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, since this bill was first drafted certain changes have been made both in the Criminal Code and the Combines Investigation Act, and I am advised that the bill should be drawn in a somewhat different manner. If it is agreeable to the house, I would ask permission to withdraw the bill for the purpose of redrafting it.

Mr. Deputy Speaker: Has the hon. member leave to withdraw his bill at this time?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

RAILWAY ACT

AMENDMENT TO ELIMINATE LEVEL CROSSINGS IN FUTURE CONSTRUCTION

Mr. G. M. Murray (Cariboo) moved the second reading of Bill No. 106, to amend the Railway Act.

He said: Mr. Speaker, this bill is one which should have been introduced in the house many years ago. As a very young boy in the province of Ontario I remember witnessing the death of a neighbour at a level crossing. He was a very fine old gentleman with a large family. He was proceeding to town with his team and there was a light snowstorm. The train bore down upon him and he met his death. I suppose since that date twenty others have died at the same crossing. One of the advantages of coming a long distance to attend the House of Commons is that as one travels across Canada one sees very many phases of the life of the country, and the level crossing menace is one which is growing more horrible as the days go by.

At the town of Deroche in British Columbia there is a level crossing, and thirty years ago a whole family of six was killed there. That was the Macdonald family who were descendants of John Sandfield Macdonald, a great man in Canada at the time of confederation and before. The mother and her family of six were wiped out at that crossing, and every year since fatal accidents have been occurring at the level crossing at Deroche. It is all right to give a great deal of attention to the raising of freight rates and the salaries of the employees of the railways. These are very necessary things, and as important matters they must be dealt with. But it is equally important that we should give more attention to the protection of the lives of the people of Canada so far as level crossings are concerned. I believe there is a field there where the leaders of the labour unions should take a very active part in arousing public opinion.

I have a letter here from a mother whose little girl was killed at a level crossing in Ontario at a point near Woodstock. If I were to read it to the house it would bring tears to the eyes of all present, especially those who have children of their own. It is a crossing which is not properly protected. I have noticed that boards of trade and other public-spirited groups across the country have erected crosses at level crossings to mark where fatal accidents have occurred.

I was in the county of Perth the other day and while there had occasion to notice a particular crossing near the residence of the member for that beautiful constituency. We got over it safely, but it is a very dangerous crossing. It is elevated high above the level of the surrounding countryside. I am enough of an engineer to believe that the cost of putting a subway under the track would be less than it cost to provide the earth fill necessary to raise the pavement up to the level of the track.

I have made some inquiries as to the number of fatal accidents in Canada last year, and I find that in the first ten months of 1952 the total number of people injured at level crossings was 453. Of this number 166 were killed and the total number of accidents was 357. Some of those involved died and some were crippled for life. That was the harvest in the first ten months of 1952 at level crossings throughout Canada.

I am eager to assist the construction of better transportation facilities in every way, and I know that the Minister of Transport (Mr. Chevrier) works day and night towards the same end. In British Columbia we managed after some years to persuade the government of the province, assisted by the government of Canada, to extend the Pacific Great Eastern Railway into the northern part of the province. In November of last year

eighty miles of construction were completed and a celebration was held at the city of Prince George to mark the institution of rail service from the south over the P.G.E.

I know that hon. members have heard me refer many times to that railway and the need of extending it farther north, even to Alaska. I think we are all pretty well agreed now that it should be done, and even the Social Credit government of British Columbia has pledged itself to extend the railway. I personally have championed the extension of the Pacific Great Eastern for thirty years or more, and now we have an extension of eighty miles from Quesnel to the crossing of the Fraser river at Prince George. Before they started construction I said: Surely we can avoid level crossings on this splendid new rail line we are opening up in the northern part of British Columbia. Well, they thought they could and then they thought they could not.

I travelled over the line recently, and I believe there are twelve level crossings in the eighty miles. In other words, twelve opportunities are provided to reduce the number of citizens of the Cariboo by fatal accidents at level crossings.

I notice from the estimates that the government spends $1 million a year to eliminate or reduce the hazard of certain level crossings. I know it would be a very big undertaking to remove all level crossings in Canada because there are many thousands of them, but I suggest to the house it would be a very easy matter to pass the bill and start afresh on the problem. We could help to solve the problem by not allowing any more level crossings to be built where new construction is involved. It is just as simple as that.

I doubt if it would add very substantially to the cost of building railways if engineers were instructed to avoid level crossings, and we would establish the principle that to build another death trap, another level crossing, would be a violation of the statute law of this country. We are building highways in the north and west and all over this country. This bill, I hope, will also make unlawful the construction of a new highway over a railway and certainly the construction of a new railway over a highway.

You may say that the age of railways is fast coming to a close, but I think that is far from the truth. We will be building hundreds of miles of railway in Canada long after hon. gentlemen who are listening to me now are out of this house and probably called to their reward; because the very nature of our country will call for the construction of railways.

[Mr. Murray (Cariboo).]

I would say that the riding which I represent in this house is larger than that part of Ontario which lies south of a line through Sudbury and Port Arthur. Our population, of course, is scattered and there is room in that great area of Canada, in the adjoining riding of Skeena and in the Yukon, for a very large population. I visualize a day when the largest percentage of the people in British Columbia will live north of Prince George. The land is certainly there, with broad valleys and all the natural resources—mineral resources, oil, natural gas and so on. This matter of the construction of railways is very important and of considerable public interest today in my community.

There is a project designed to extend the Northern Alberta Railways westward from Hines Creek into British Columbia and on toward the area I referred to. It is not something that will be done in the dim and distant future. It is something that should be done as quickly as we can do it, because the area is already settled. In one area people are hauling their goods one hundred miles or so to the railway, even one hundred and twenty miles, trying to make a success of farming. They are hauling their goods farther than it is from here to Montreal. I need not say that construction of that bit of road would be sound business. It should be done at once, and when it is done it will be one of the most profitable sections of the Northern Alberta system.

How ridiculous it would be, Mr. Speaker, to proceed with the building of that railway and to build level crossings there so that farmers going to market would be compelled to face the hazard of death and disaster at those level crossings.

As I understand it, the first railway in western Ontario was built 101 years ago. Sir Francis Hincks, a famous man in Upper Canada in those days, was the promoter of that railway. I would like to have a list of the casualties that have occurred at level crossings between Sarnia and Hamilton or between Sarnia and Niagara Falls. The figure would be atrocious. Of course railways are always built on the best and most level property; they are built where the population is dense and by the very nature of things where traffic is greatest.

We have made so much headway in so many lines of endeavour, yet in the simple matter of protecting our people from the hazards of level crossings we remain practically as we were at the time of Sir Francis Hincks. At some crossings there is very little or no protection. At others there are rather expensive warning signals installed. I would

like to see the most modern devices established at each level crossing. The electric eye sort of thing might be brought into play. Down at Windsor station in Montreal the C.P.R. has installed electric beams so that when we go there with our grips our very passing opens the door. Similarly on existing level crossings modern electronics could very easily be employed to make them safer.

This bill which we have before us will ensure that on new construction the menace of level crossings will vanish for all time in Canada. I hope and pray that all hon. members of this house, irrespective of party, will get behind it, get it into committee, and assist in having it put upon the statute books of our country.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I have made a short study of the bill which is before us and upon which the hon. gentleman, the member for Cariboo (Mr. Murray), has been speaking. Some of the figures I have found may be of interest to the house. In all there are some 32,000 crossings in Canada, of which about 12 per cent are protected by lights or gates of some kind or another. In other words, about 3,840 are protected crossings and about 28,160 are not protected.

The bill envisages the protection of crossings that are to be built in future by making it compulsory for highways to go under or over rail lines, or parallel to them if the former is not possible. Well, Mr. Speaker, our main lines are built already, and there will not be any great change in our cross-country mode of transportation as far as railways are concerned. In short, the most hazardous crossings already exist and for them this bill does not envisage any protection, but only for those that may be constructed in the future.

So far as the riding of Meadow Lake is concerned, we are interested in the completion of a couple of short lines, and we would be pleased if we could have them completed with regular crossings. However, that is not my main criticism of this bill.

I have looked into the statistics regarding deaths and accidents, and I am quite aware of the toll inflicted on the people of this country. The bill is aimed in a very desirable direction, I agree. However, I do not think it meets the situation, and I would like to read into the record some of the figures I obtained regarding accidents last year. There were in all 357 accidents at level crossings in the first ten months of 1952. I think the hon. member for Cariboo said that 166 people were killed and 453 were injured. Statistically they do not consider it an accident unless there has been an injury or death connected with the occurrence. A breakdown of the figures shows:

Province	Total number of accidents	Total number of people killed	Total number of people injured
Newfoundland	3	—	5
Prince Edward Island	2	—	3
Nova Scotia	11	8	12
New Brunswick	14	8	19
Quebec	70	43	84
Ontario	152	70	193
Manitoba	19	7	23
Saskatchewan	26	14	27
Alberta	39	7	62
British Columbia	21	9	25
	357	166	453

(Highway crossing accidents, 10 month period January 1, 1952, to October 31, 1952.)

This is a sorry record, and if the bill introduced by the hon. member for Cariboo (Mr Murray) were reworded or had some more research done on it, I believe it might be of some help. It is aimed in the right direction

However, the main thing in connection with this matter is that some cognizance has been taken of the difficulty by this government. On January 14, P.C. 1953/52 was presented by the governor general in council to the board of transport commissioners. It was framed in the following terms:

Whereas the railway-highway crossing problem in Canada as a result of expanding motor vehicle traffic and improved highways has become one of national concern in respect of the present need for protection, safety and convenience of the public

And whereas it is deemed to be in the public interest that an inquiry be made into all matters involved in the problem of railway-highway crossings which come under the jurisdiction of the parliament of Canada;

And whereas section 38 of the Railway Act provides that the governor in council may at any time refer to the board of transport commissioners for a report, or other action, any question, matter or thing arising or required to be done under the Railway Act or any other act of the parliament of Canada.

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Transport and under and by virtue of section 38 of the Railway Act, is pleased to direct and doth hereby direct that the Board of Transport Commissioners for Canada make an investigation and report on all phases of the problem of railway-highway crossings which are under the jurisdiction of the parliament of Canada in respect of the present and prospective need for the protection, safety and convenience of the public, and without limiting the generality of the foregoing the board shall

(a) conduct a survey and report on the method considered by the board to be practicable under all pertinent circumstances of eliminating the hazards and improving the public convenience and the protection and safety of the public at such crossings;

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(b) review and report on the adequacy of the railway grade crossing fund to provide for the construction of works for the protection, safety and convenience of the public in respect of railway-highway crossings; and

(c) make such recommendations as the board may deem advisable in the premises.

That covers the crossings over which the federal government may have some control. I believe there may be some doubt as to whether or not this bill infringes provincial rights. In section (2b), the bill says:

After the 1st July, 1953, no highway shall be constructed across a railway unless it be carried over or under such railway.

Highways are under the jurisdiction of the provincial governments or municipalities, as the case may be, and very few are under federal jurisdiction. If this section of the bill were enacted I believe we would be infringing the rights of the provinces or municipalities. It is a well known fact that when a railroad seeks to close a crossing the permission of the municipality or province is sought, thereby recognizing their rights in the matter. As I say, therefore, we may be infringing provincial or municipal rights in this bill.

Since P.C. 1953/52, which I read to the house, refers this matter to the board of transport commissioners there may be some question as to whether or not we should be discussing the subject at all. I believe, Mr. Speaker, that with the information before us we would be well advised to await the outcome of the report which the privy council has requested of the board of transport commissioners. This board is best equipped to look into the matter and get all the information upon which a proper bill could be based, one that would cover us to the ultimate limits that we could be covered.

I hope the hon. member for Cariboo (Mr. Murray) does not take it that I am opposed to his bill for any other reasons than those which I have stated. I do feel that we would be well advised to await the report of the board of transport commissioners before taking any further action.

Mr. S. R. Balcom (Halifax): The hon. member who has introduced this bill, Mr. Speaker, comes from a wonderful part of this country where most of the development is still in the future. No doubt he wants to have that development follow a proper course, and thereby eliminate some of these hazards of life caused by railroads and highways. He is to be commended for introducing this amendment to the Railway Act. When the hon. member for Cariboo (Mr. Murray) was so vividly describing the north country just now, the hon. member for Kootenay East (Mr. Byrne), who was listening very attentively, asked me if the hon. member was speaking about Halifax. Well, that is understandable, since they both recently visited Halifax.

Outside of this 155-mile railway into northern Manitoba, there is very little railway extension in progress. There is not likely to be much unless it is for the purpose of opening up new mining areas or areas where the immigration authorities want to have the country settled. The total cost of this 155-mile railroad is something in the vicinity of $14 million, and the railroad is expected to be completed within a few months. I have been led to believe that in the construction of this railroad special care has been taken to see that diversions have been made where necessary, and that there are as few level crossings as possible. This shows, of course, that the authorities now building railroads are very conscious of the need, and are building them as they should in 1953.

I said that this railroad might be the only one, but there are railroads to the mining areas in Seven Islands. There are no roads there, so the problem of level crossings does not arise. In speaking of the expansion of railroads, I think very little would be done unless it could be shown that it would be a paying proposition for the railroads. We must not forget that since 1923 the Canadian National has incurred 23 substantial deficits.

This bill should have been introduced about forty years ago when the automobile was just coming into popular use. Perhaps it would have been introduced at that time had the hon. member been in the house, but as we look at him we can see that he was a mere boy at that time. If former members of this house had been as conscious of the need for the elimination of these level crossings as is the hon. member for Cariboo, we would not find the conditions that exist today in the great city of Moncton, New Brunswick, where ten dangerous level crossings were created by the railways. Of those ten no fewer than eight are right in the centre of the city. In addition to these level crossings there are two ugly eyesores, overhead bridges. What these level crossings have done to the city of Moncton is to restrict its growth.

We in Nova Scotia are fully conscious of the menace of level crossings. A few years ago, on the railroad running from Halifax down to the southern shore toward the home of the Minister of Resources and Development (Mr. Winters) a distance of some 40 miles, there were no fewer than 21 crossings. Every one of those crossings was a potential killer. But the Canadian National Railways,

being a progressive company, has eliminated a number of these crossings, and the department of highways of Nova Scotia have co-operated with the railway in that regard. On the railroad run from Halifax to Annapolis there are at least ten railway crossings, and each and every one of them is very dangerous. I think I am safe in saying that on each one of these crossings there has been an accident in which people have been killed, and in some instances five in one family.

Then we have a railway line known as the Dominion Atlantic railroad which is a subsidiary of the Canadian Pacific. In time its crossings will be taken out either because of the widening of the highway by the provincial government or by some other means by co-operation between the provincial highway department and the Dominion Atlantic railroad.

Perhaps the hon. member's amendments should have included certain "musts" where particularly dangerous crossings exist, because the aim of this legislation is to cut down the fatalities and of course to some extent to speed up traffic, but the latter is only secondary to the saving of lives.

It is evident that the railways are anxious to co-operate because away back in 1909 the railway grade crossing fund was established. Through this fund federal assistance was provided for the protection, safety and convenience of the public where a railway and highway cross each other at the same level.

Those of you who were in parliament from 1930 to 1939 recall the large sum of money appropriated to eliminate level crossings as an unemployment relief measure. If the legislation introduced by the hon. member goes into effect money will be saved in various ways, through the elimination of signs, cattle crossings or guards, improvements of the site lines, flashing lights, bells and grade separation. From 1909 to 1947 approximately $44 million was spent on this work, and of this amount $12 million was contributed by the federal government or governments to this grade crossing fund or voted for unemployment relief. The railways paid $16,500,000, while the highway authorities paid something like $10 million. These sums of course are exclusive of the operating and maintenance costs, the costs of widening, improving or maintaining the existing rights of way and overhead bridges.

Sections 256 and 257 of the Railway Act vest power in the board of transport commissioners to order the elimination of grade crossings or their protection whenever it deems such to be necessary on grounds of public safety. Therefore we see that they are really doing something to cut down the number of deaths.

Since we are talking of level crossings, possibly this might be a good time to revive the matter of the completion of the old Guysborough railroad; for here we have an old bed already built, and what is more important, the engineers when preparing the plans of this railroad were farsighted enough to provide for overhead bridges or diversions. Unfortunately this railroad was never completed.

I hope I am in order in mentioning this, Mr. Speaker, because had that railroad been completed that particular part of Nova Scotia might now be enjoying part of the prosperity so prevalent in Canada today. Perhaps the hon. member for Cariboo, who visited Nova Scotia last summer, has decided that the Guysborough railroad should be completed. If he has, then I assure him that he will have the full and hearty support of all members from my province as he will have in regard to his bill to amend the Railway Act.

Mr. F. D. Shaw (Red Deer): We are in sympathy with the purpose which we believe the sponsor had in mind when he had the notice of this bill placed on the order paper. I may say that we are not too certain that this may be the most feasible, the most practicable, method of approach. We shall hear what the minister has to say in that regard. Certainly when one reads the statistics respecting railway crossing tragedies he cannot help but conclude that a responsibility rests upon us here to do whatever can be done in an effort to contribute toward the lowering of the number of these tragedies.

I am convinced that we can, through the removal of a great many of the level crossings, help to reduce the number of accidents that occur. It seems to me that a great deal of emphasis must be laid upon the importance of safety campaigns, and the assumption on the part of individual drivers of a greater share of responsibility than many of them up to this time have indicated they are prepared to accept.

After all, what constitutes a dangerous crossing? Frequently we refer to a crossing as being dangerous if the records show that a certain number of deaths have occurred through accidents at that crossing. But the evidence indicates that, conceivably in a majority of cases, those tragedies have occurred on level, open crossings where in many instances visibility extends a mile in either direction. I fully realize that the removal of as many level crossings as possible

will assist in solving the problem, but certainly we must also make efforts in other directions, perhaps through educational campaigns.

The bill refers to highways, but I think it is important to keep in mind that provincial governments in Canada have recognized the necessity of removing as many level crossings as possible when they have rebuilt or constructed highways. Everywhere in Canada there is evidence to indicate that the provinces are assuming responsibilities in that direction.

The hon. member for Meadow Lake (Mr. Harrison) has mentioned the question of jurisdiction. It may prove to be an important point so far as the legality of a bill of this kind is concerned.

As I have said, we certainly support the purpose the sponsor of the bill has in mind. We think it is an absolute tragedy that people will continue to drive into the sides of trains, that in some instances they will pass a line of standing traffic and drive into an approaching train, and this has happened more than once. We know that on occasions they will drive up to a level crossing, stop, and then start across, only to be hit by an approaching train.

It occurs to me that a substantial contribution to a solution will be found in a greater acceptance of responsibility on the part of drivers, through educational and other campaigns that can be carried on. We support the purpose of the bill. However, we would like to hear the minister's views before indicating whether we would or would not support this particular bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are all hoping that the minister will speak to the bill, and indicate the view of the government. However, pending the possibility of his speaking, may I take just a moment to say that we are in sympathy with the purposes of this bill. The difficulties in connection with it are obvious, and have been stated. But our hope is that the fact that there may be difficulties will not result in the house following the course of least resistance and talking the bill out.

It seems to us it would be far better to have the matter referred to some appropriate committee so the question can be fully studied. If there are sections which infringe upon provincial rights and which need to be modified or eliminated, then let us have that matter gone into. If the general direction set out in the bill needs to be modified in any way, let us have that studied as well. I hope, however, that the commendable purpose behind the bill will not be thrown out completely, and that the measure will not be voted down without any further consideration.

I think the minister should know before he makes his speech—and I hope he is going to make it—that it would seem that the house generally is sympathetic with the purposes behind the proposed legislation.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, may I say briefly that I am in sympathy with the principle behind this bill. I realize, however, that in many instances tremendous costs would be involved if we were to try to construct overhead bridges and underpasses at all necessary points in the Dominion of Canada.

Both the Canadian Pacific Railway and Canadian National Railways, as well as the trans-Canada highway, pass through my riding. This means that there are a great many crossings. I am sorry the bill does not mention the installation of wigwags on all county and provincial highways, because I believe to a great extent that would eliminate the trouble. It has been proven that where wigwags have been used the accident problem has been eliminated to a considerable extent. Of course there are always some people who will drive against a wigwag signal and be killed. I think, however, that the system of wigwags could be extended and would overcome much of our difficulty.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I am sure the house will be grateful to the hon. member for Cariboo (Mr. Murray) for having introduced the principle of the bill, and for having brought once again to the attention of the house the very serious matters with which it deals. I believe the house is quite familiar with the question, because it has been discussed not only in debates on private bills but in debates on the estimates for the Department of Transport, as well as on other occasions.

One of the most serious problems with which we have to deal today is that of railway-highway grade crossings. It is a subject which has engaged the attention not only of people here in Canada but, before that, of experts and specialists in the United States, where the problem is far more serious than it is here.

I commend the hon. member for his desire to deal with this matter, but I must say to him with all respect that the amendment to the section of the Railway Act which he suggests does not begin to deal seriously with the problem. The government saw fit early

in the year, as was stated by the hon. member for Meadow Lake, to ask the board of transport commissioners to study the whole problem of railway grade crossings. It gave the board full power, as set out in order in council P.C. 1953/52, to make a complete and thorough investigation and study. I think it would be no compliment to the board of transport commissioners if at this stage the house were to say to it that it should do as set out in the bill.

Then there are several objections to the bill. The first I see is that it makes the implementation of this section mandatory upon the board. In other words the board would be obliged to force the railways to construct a grade separation after July 1, 1953, upon any application that was made. As it is today, the board has that power under the act. It is a discretion it has, and that discretion should not be taken away; because if it were taken away there would be no way of determining which crossing should have priority because of density of traffic or density of population or because of location.

With the section the way it is worded now I can see a situation where in an isolated part of Canada, at a place where there was little traffic, a railroad would be forced, perhaps in conjunction with the highway authorities, the municipalities and the like, to spend a large sum of money to separate a grade when there was little or no need for such separation in that particular area. I can think of a railroad building a spur line into an area which might cross a highway where there would be little or no traffic—this happens repeatedly—and the grade crossing fund or even the municipality and the railroad would be charged with the expenditure of a substantial sum of money when the grade separation was not really required.

Another objectionable feature is the mandatory provision. The board now has discretion, and it seems to me that it should continue to have discretion in these cases. I wish I had more time to deal with this matter because if I had I would make reference to a study that has been made of the railway-highway grade crossing problem by A. Kenneth Beggs of the Stanford research institute. This is an excellent document which goes into the problem very thoroughly. It gives the causes of accidents and in a series of excellent theses it proposes solutions to the problem.

The problem is a serious one. If we were to eliminate all grade crossings in Canada the sum of $100 million would barely suffice. If I had the time at my disposal I would deal with some of the causes responsible for the increase of accidents, and I would deal in part with the solutions suggested.

I think the hon. member is to be complimented upon his attempt to find a solution. In his anxiety to eliminate these accidents he has submitted this amendment to the house. I know the amendment is well-intentioned, but it deals only with a small portion of the problem. In order to deal with the whole problem the government has asked the board of transport commissioners, which because of its statutory powers is able to consider problems of this kind, to make a thorough survey of the railway-highway grade crossing problem in Canada. When the board has made its report it will then be possible to bring down amendments to the Railway Act and perhaps the grade crossing fund. It will be possible to consult the provinces, because I think perhaps one of these sections impinges upon provincial jurisdiction.

I should like to say more on this subject, but it seems to me that I have said enough to indicate to the house that it would not be advisable to accept the bill in its present form. I would hope that the hon. member for Cariboo (Mr. Murray), having succeeded in raising interest in the subject and knowing that the matter is being studied by the board of transport commissioners, would see fit under all these circumstances to withdraw the bill.

Mr. Murray (Cariboo): Mr. Speaker, I think some good has been done by ventilating this subject, as the minister has said. Were I a member of the bar, perhaps a leader of the bar as are some of my colleagues, I would have presented a bill which would have met every point raised by the minister. I did my best as a layman. I have brought the bill forward, and I assure you that if I am spared to be returned to this house following the next election I shall bring in another bill. After consulting with eminent legal talent—and I may bring you into it, Mr. Speaker—I shall try to present a bill which will meet with the approval not only of the members of the house but of the government.

I thank the minister for his kindly consideration of this effort, which will be repeated later on. With the consent of hon. gentlemen, I ask that the bill be withdrawn.

The Acting Speaker (Mr. Robinson): Has the hon. gentleman leave to withdraw the said bill?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

The Acting Speaker (Mr. Robinson): The hour for private and public bills having expired, at eight o'clock the house will resume the business it was considering at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

WATER RESOURCES

ASSISTANCE TO PROVINCES FOR CONSERVATION PURPOSES

The house resumed consideration of the motion of Mr. Winters that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure, such grants not to exceed thirty-seven and a half per cent of the projects and to be paid out of moneys appropriated by parliament for the above mentioned purposes; and to provide that all officers, clerks and employees required for carrying out the provisions of the measure shall be appointed in accordance with the provisions of the Civil Service Act.

Mr. Deputy Speaker: Does the hon. member wish to speak to the point of order?

Mr. Knowles: Yes, Your Honour. Just before five o'clock, Mr. Speaker, we were in the midst of a considerable discussion with respect to procedure, and if I may say so it seems to me that a fair amount of confusion was developing due to the fact that two different points were under discussion. I wish to state what these two points are solely for the purpose of separating them. Having done that, I intend to direct my remarks to but one of these points, namely, the one that I feel—and I think Your Honour will agree with me—is important for the purposes of the present situation.

The point of order that was raised in the first instance this afternoon was that raised by the Minister of Resources and Development, who questioned whether any discussion with respect to the South Saskatchewan river project could be entertained under the terms of the resolution now before us. I take it the minister would raise that point of order at any stage with respect to this legislation. I wish to say now that that is the point of order about which I am most concerned. During the discussion that followed the hon. member for Vancouver-Quadra or the Minister of Public Works—

I do not know which one started it—they often start things together; they are good pals at that—

Mr. Diefenbaker: And they read each other's mind.

Mr. Knowles: As the hon. member for Lake Centre says, they read each other's mind.

Mr. Deputy Speaker: Perhaps I might tell the hon. member that the point he has just mentioned is really the only one that concerns me.

Mr. Knowles: I agree, but perhaps since we are agreed on that Your Honour might let me say a word with respect to the other point, mainly to emphasize what you have said, sir, that I do not think it should be imported into this discussion at this time. The reason I say that is that it has been suggested that the whole question of whether or not we should have debates with the Speaker in the chair on a resolution preceding a money bill should be discussed by the committee on procedure. I have very strong views on it, as the house knows. With all respect, I do not agree with the decision made by Mr. Speaker on the matter earlier, but let us treat it as sub judice until the committee on procedure has dealt with it. So far as this debate is concerned, Your Honour permitted the minister to speak to the resolution and Your Honour likewise permitted the hon. member for Lake Centre to speak to it, so there is no question of our being allowed to debate the matter with the Speaker in the chair. That point is not at issue so far as this debate is concerned.

Thus we have cleared the ground with respect to that question, and we are down to the issue on which there is a difference of opinion and on which I take it Your Honour feels called upon to make a ruling. That is the question of whether or not in the discussion on the resolution moved by the Minister of Resources and Development it is proper and relevant to discuss matters relating to any aspect of the South Saskatchewan river project.

I should like to look at it first of all, Mr. Speaker, in a very plain manner, like the Minister of Public Works. The wording of the resolution refers clearly to the conservation of water resources. It seems to me that, unless the resolution itself narrows the projects for the conservation of water resources to certain specific ones, it should be in order to discuss any matter that any member of the house feels should be dealt with under the heading of the conservation of water resources. Your Honour has made reference to the fact that the Minister of Resources and

Development said that when we get the bill —we have not got it now—it will specify certain definite projects. But we are not on the bill; we are on the resolution. In fact we are not permitted to know what is in the bill at this stage of the debate. All we have to go on is the wording of the resolution itself.

That wording is very clear. It deals with the question of the conservation of water resources. I would point out that, although the citations in the authorities on procedure are not too explicit or clear on the point, there are a number of references that come pretty close to dealing with this question. For example, in citations 439 and 440, as well as others, in Beauchesne's third edition we find it suggested that if the resolution is drawn in general terms without placing any limitation on the amount of money to be spent, it is in order to move amendments to the bill based on the resolution but going further, provided they do not exceed any other limitations in the resolution itself.

The minister can argue all he wants about what is in the bill. We have not got the bill. We have only the resolution and the resolution does not place any limitation on the amount of money to be spent. Neither does it place any limitation on the kinds, classes or categories of projects which would implement the general aim, to conserve water resources. As a matter of fact, not only does the resolution fail to fix any limit as to the amount of money, but it is worded very strangely. It says, "such grants not to exceed 37½ per cent of the projects". What the minister means by that I do not know.

Mr. Winters: I can clear that up in a moment. It should read "37½ per cent of the cost of the project".

Mr. Knowles: That is a correction that certainly should have been made long ago. But even when you have made that correction there is still no reference to the total amount of money to be spent. There is still no reference which limits the kind of project that can be brought in under the general heading, conservation of water resources. It may well be that members of the house might feel—for the moment I am speaking hypothetically rather than in terms of substance —that projects such as that on the South Saskatchewan river should be brought under this heading and should be dealt with under legislation of this kind, and since the resolution does not rule out projects of this kind I do not see how members of the house can be stopped from discussing it, from pleading with the minister, from arguing that he is the minister who should now include within the framework of this legislation some provision for the development of the South Saskatchewan river project.

We have had this point up before in other ways, but surely it is clear that since the resolution is framed in general terms it is within the competence of members to make proposals that come within those general terms. I submit that is what members are doing when they ask the right in this debate to suggest as one of the means of conserving water resources that something should be done with respect to the South Saskatchewan river project.

I mentioned earlier that the citations to which I referred, citations 439 and 440 in Beauchesne's third edition, had to do with amendments, and of course the amendments referred to are amendments to the bill based on the resolution. Nevertheless a principle is laid down in those references, namely that members can make these suggestions for enlargement of what is involved in the legislation provided they do not go beyond the terms of the resolution when the resolution is worded in general terms.

I submit that if the Minister of Resources and Development did not want a discussion of the South Saskatchewan river project under his resolution he should have worded it more carefully. He should have been more specific. He should have said what it actually meant instead of putting it in these general terms. Having put it in general terms, and having said that this is a resolution having to do with the conservation of water resources, I submit that members should be allowed to discuss the South Saskatchewan river project and should be allowed to urge, if they wish to do so, that consideration be given that project by the government under the terms of this legislation.

Mr. Fournier (Hull): Mr. Speaker, may I have the indulgence of the house for one moment. I do not want to repeat myself, but I am in a quandary when I read order No. 9 on the order paper. If the hon. gentlemen will look at the order paper they will see that it states:

> December 5—In the committee of the whole—the following proposed resolution:

Mr. Fulton: I wish to deal with that point.

Mr. Fournier (Hull): Perhaps I do not understand the English language well enough, but I thought that in the committee of the whole we would consider the following resolution. If it were to be considered while Mr. Speaker is in the chair the minister probably would have stood up and moved that this resolution be considered, but he did not move

that. He moved that the Speaker do now leave the chair so that in committee of the whole—and it is in black and white—the following resolution may be considered.

Perhaps I am all wrong, as I am not one of those lawyers who have practised lately, but I am used to reading sentences and trying to get a meaning and some interpretation of what they mean. Perhaps you will tell me that I am wrong, but I have looked up standing order No. 38 where it is said that nearly every motion is debatable if it appears on the order paper. Well, the motion just moved is not on the order paper. The motion was that Mr. Speaker do now leave the chair, and that does not appear on the order paper.

Mr. Knowles: Then it should not have been moved at all.

Mr. Fournier (Hull): Why did you not object at the time? You know the rules.

If we did move that Mr. Speaker do now leave the chair and it does not appear on the order paper, to my mind it is not debatable; but what is debatable, and what the hon. member for Winnipeg North Centre (Mr. Knowles) argued, was that we could amend this resolution. But you cannot amend a motion that Mr. Speaker leave the chair. You can vote against or make him stand up or sit down, but you cannot amend that resolution.

I see my friend from Vancouver East (Mr. MacInnis) listening attentively and I am sure he agrees with me.

Mr. Knowles: Is that not the issue we are letting the committee on procedure deal with?

Mr. Fournier (Hull): We are trying, not as simply as I argued this afternoon, to see what we can get out of these different sentences. You will never convince a member of parliament that when the order paper says "in the committee of the whole we will consider the following resolution", you are going to turn around and consider it while Mr. Speaker is in the chair. If we changed the resolution and said that we wanted to consider it now, I would understand that you could have a general debate. You will have that debate in two minutes, and you can amend that resolution when we get into committee.

Mr. Knowles: Can we?

Mr. Fournier (Hull): You can try. Your trial in committee will probably have the same effect as it would with Mr. Speaker in the chair, but I do not think you are doing it according to the rules of the house now. I am anxious to hear the hon. member for Kamloops (Mr. Fulton).

Mr. Diefenbaker: I just want to make one reference if I may.

Mr. Deputy Speaker: I do not know if the hon. member wishes to speak on the point which was raised a moment ago by the Minister of Public Works (Mr. Fournier), as to whether debate should take place with Mr. Speaker in the chair. Besides, as the hon. member for Winnipeg North Centre has stated, that is not the issue.

Mr. Fournier (Hull): Mr. Speaker says it is not the issue.

Mr. Diefenbaker: Mr. Speaker, I refer you to the judgment or direction of the Speaker on June 18, 1952, as it appears at page 3375 of *Hansard*. There Mr. Speaker says:

> After giving this matter my careful consideration I have come to the conclusion—

It was a matter similar to this.

> —that if there is no objection to the consideration of the resolution in committee of the whole, the motion that the Speaker do leave the chair should be put without debate. If any members are opposed to the resolution, and do not think that it should even be considered in the committee of the whole, or if they require additional information before agreeing to the motion, they should be given an opportunity to speak on the motion. The minister should endeavour to answer the objections which have been raised and to give the information requested.

My submission is that, with respect to the question of the South Saskatchewan river dam or irrigation project, I intend to place before the house, and in particular the minister, some of my objections to the resolution that is going before the committee of the whole; and the only way in which I can do it is to present arguments in support of the contention I wish to advance. On the basis of that ruling my submission, with respect, is that I would be within the rules. Otherwise the minister is in the position of having a resolution indefinite in its scope. As was pointed out by the hon. member for Winnipeg North Centre, he could actually gag members of the house and prevent them placing before him their objections to the resolution to be considered in the committee of the whole.

Mr. MacInnis: Mr. Speaker, I would like to say just a word in regard to this as it appears to me. The resolution reads, and I will quote the first few lines:

> That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure—

I cannot see how you can take one water resource in one province and say that it cannot be discussed under this resolution. The resolution refers to "water resources" in the provinces. The South Saskatchewan river is certainly a water resource, and how can we differentiate between the South Saskatchewan river and the Fraser river or the Columbia river or any other river?

It seems to me that it is amazingly farfetched to say that you can discuss every other water resource in Canada but that you cannot discuss the South Saskatchewan river, which is one of the water resources in the dominion. It is an amazing ruling and I am wondering how it can be made.

Mr. Deputy Speaker: Hon. members, of course, will understand that this point upon which I am called to make a decision is a very difficult one. I would like to thank hon. members for having assisted in the debate on the point of order, and they have provided some very valuable suggestions.

I believe the hon. member for Winnipeg North Centre stated the point correctly when he said that the decision which must be made is whether or not the South Saskatchewan river project or irrigation project is to be discussed on this resolution; whether it is proper or relevant to discuss those projects on this resolution. While the hon. member for Lake Centre (Mr. Diefenbaker) was speaking the Minister of Resources and Development (Mr. Winters) rose on a point of order. He said that the bill forecast by the resolution did not embrace irrigation projects or irrigation policy. He contended, therefore, that the hon. member for Lake Centre was out of order in discussing the South Saskatchewan river or irrigation project.

I would refer hon. members to a ruling of Mr. Speaker which appears in *Votes and Proceedings* of June 18, 1952, in which he said:

> All hon. members who have taken part in the discussions agree that the motion that the Speaker do leave the chair for the house to resolve itself into committee of the whole to consider a resolution preceding a money bill is debatable. In my opinion that is the correct view so long as subclause (a) of standing order No. 38 remains in its present form.

As I said a moment ago, that point is not at issue in this case. Mr. Speaker continues:

> The question on which there is some difference of opinion is the extent to which debate is to be allowed. This question was considered by Mr. Speaker Glen on the 23rd of February, 1942. At that time he ruled that the debate should be directed to the negative of the motion and should be general with no reference to details.

My problem seems to be to decide if the debate on this resolution should be extended to the South Saskatchewan river irrigation project. The minister declared that this resolution, and I use his words, "does not embrace irrigation projects or irrigation policy."

I should like to quote further from Mr. Speaker's ruling of June 18, 1952. He said:

> I should point out that the motion is for the Speaker to leave the chair, etc. It is not a motion to adopt the resolution. However, under our present practice members have been debating it as if it were such a motion. The minister makes an affirmative statement, frequently going into details, with the Speaker in the chair, and other members follow. The result is that a full discussion of the resolution takes place at this stage. I am sure that is not the procedure contemplated by standing order No. 60, nor is it in accordance with Mr. Speaker Glen's ruling, in which I concur.
>
> After giving this matter my careful consideration I have come to the conclusion that if there is no objection to the consideration of the resolution in committee of the whole, the motion that the Speaker do leave the chair should be put without debate. If any members are opposed to the resolution, and do not think that it should even be considered in the committee of the whole, or—

And I wish to underline these words.

> —if they require additional information before agreeing to the motion, they should be given an opportunity to speak on the motion. The minister should endeavour to answer the objections which have been raised and to give the information requested.

May I say that it was precisely when the hon. member for Lake Centre contended that the resolution also covered irrigation projects, such as the South Saskatchewan river project, that the minister rose to a point of order and informed the hon. member that the resolution did not cover irrigation projects.

The concluding paragraph of Mr. Speaker's ruling reads as follows:

> Accordingly in my opinion the practice of the minister opening the debate on the motion for the Speaker to leave the chair for the house to consider in committee of the whole a resolution preceding a money bill should be discontinued.
>
> When the discussion on this subject was before the house the other night a number of members expressed concern over the difficulty which the Speaker would have in keeping the debate within the limits of the above interpretation. I realize the difficulty but all I can do is to ask for the usual co-operation of all hon. members.

Now hon. members today, like hon. members then, express concern over the difficulty which the Speaker would have in keeping the debate within the limits of the interpretation outlined in that ruling. I realize there is that difficulty, but a decision must be made and if hon. members do not agree to it they are allowed to appeal from it.

In my humble view there is a clear distinction to be made between the subject of conservation of water resources and irrigation projects, no matter how germane the two subjects may appear to be. In view of the

declaration made by the minister that irrigation projects are not contemplated by this resolution and the measure to follow, and in view of the considerations as to limitation of the debate on a motion for Mr. Speaker to leave the chair contained in Mr. Speaker's ruling of June 18, 1952, I feel justified in ruling that the discussion of irrigation projects on this resolution is not relevant and, therefore, is not allowed.

Mr. Diefenbaker: Mr. Speaker, with profound respect, but in view of the fact that your ruling denies me and other hon. members the right to discuss the South Saskatchewan river irrigation project, I wish to appeal against your ruling.

Mr. Adamson: Before you put the question may I ask whether your decision is that no question of the conservation of water will be debatable with the Speaker in the chair?

Mr. Deputy Speaker: No. I explained that debate on this motion is limited in view of the considerations which were outlined in Mr. Speaker's ruling to which I have referred. I expressed the view that it is not relevant to discuss irrigation projects or irrigation policy on this resolution.

Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those who are opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

And the members having been called in:

Mr. Deputy Speaker put the question as follows:

In the course of the debate on the motion that I do now leave the chair for the house to resolve itself into committee of the whole on a certain proposed resolution respecting assistance to provinces for the conservation of water resources, a point of order was raised by the Minister of Resources and Development to the effect that the proposed resolution does not deal with irrigation projects or irrigation policy, and such should not be discussed under this resolution. Mr. Speaker ruled that the discussion on irrigation projects and policy under this resolution was not allowable on the ground that it was not relevant.

From this ruling the hon. member for Lake Centre and others appealed.

[Mr. Deputy Speaker.]

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Applewhaite	LaCroix
Ashbourne	Lafontaine
Balcom	Langlois (Gaspe)
Bater	Larson
Beyerstein	Leger
Blackmore	Little
Blanchette	Macdonald (Edmonton East)
Boisvert	MacDougall
Boucher	MacKenzie
Bradley	MacLean (Cape Breton North and Victoria)
Campney	McCulloch
Carroll	McIlraith
Carter	McIvor
Corry	McMillan
Dechene	Mott
Eyre	Murray (Cariboo)
Fair	Pearson
Ferrie	Prudham
Fournier (Hull)	Quelch
Gagnon	Richard (Ottawa East)
Gauthier (Lake St. John)	Rousseau
Gauthier (Lapointe)	Simmons
Gibson	Smith (Moose Mountain)
Gingras	Smith (Queens-Shelburne)
Goode	Stick
Hansell	Studer
Harrison	Tremblay
Helme	Ward
Hetland	Weir
Hosking	Whiteside
Huffman	Winkler
Johnston	Winters
Jutras	Wood
Kickham	Wylie—70.
Kirk (Antigonish-Guysborough)	
Kirk (Digby-Yarmouth)	

NAYS

Messrs:

Adamson	Hodgson
Argue	Jones
Black (Cumberland)	Knight
Brooks	Knowles
Browne (St. John's West)	Lennard
Bryce	MacInnis
Churchill	MacLean (Queens)
Diefenbaker	McLure
Dinsdale	Montgomery
Fairclough, Mrs.	Pearkes
Ferguson	Ross (Souris)
Fulton	Stewart (Winnipeg North)
Green	Thatcher
Hees	Tustin
Herridge	Wright—30.

Mr. Deputy Speaker: I declare the Speaker's ruling sustained. The hon. member for Lake Centre (Mr. Diefenbaker) may continue.

Mr. Diefenbaker: Mr. Speaker, I shall speak very briefly on the question of the conservation of water resources, with particular reference to the province of Saskatchewan, after which I shall move an amendment.

The situation in Saskatchewan, in so far as the conservation of water is concerned, is

very serious in various parts of the province. It is particularly so in the area referred to as the Palliser triangle. It is not something that is a novelty, because it has continued for generations. Only the other day I went back to the journal kept in 1856 by Captain Palliser, the great English explorer. He dealt with this subject in his diary on October 3, 1856, when the expedition was on the west bank of the South Saskatchewan river, at the Elbow.

He makes this entry in his journal concerning the valley running eastward of the South Saskatchewan river. He said his party were assured that in flood times this valley connected with the Qu'Appelle valley. He was very much interested in the idea of water conservation and communication between the South Saskatchewan and the Red river settlement, and used these words:

> The valley containing the Red Deer lakes resembles in width that of a large river; it is said to cross the South Saskatchewan 12 miles below the Elbow and is said to run continuously and to join the valley of the Qu'Appelle by the Last Mountain lake. I was assured by the half breeds that there was hardly any obstruction beyond one low portage existing to cut off communication by this route in the spring with those lakes which are west of the Qu'Appelle river; information which is highly suggestive of a more minute engineering investigation as to the expense and feasibility of a connection—

And so on. He goes on to point out that as the years go by the need for water conservation in Saskatchewan, or in that part of Saskatchewan, will correspondingly increase. Then a little later on, in 1859, a report was made to the legislative assembly of Upper Canada pointing out that the area now known as Saskatchewan, and part of Alberta, needed something to be done in order to conserve moisture, for periodically that area found itself arid and unproductive.

Very considerable has been done under the Prairie Farm Rehabilitation Act. That act, it is well to remember, was introduced by the Bennett government, and was sponsored by the Hon. Robert Weir, the then minister of agriculture, in order to do something to improve the situation in those parts of the prairie provinces where, as a result of drought, production ceased.

How serious the situation is in Saskatchewan may be gained from a few quotations. An article in the Toronto *Saturday Night* by two well-known Saskatchewan editors, Eric Knowles and Phil Wade, says this:

> Agriculturally-minded Saskatchewan has never regained peace of mind since the terrible drought of the 30's which laid it in the dust.

Water Resources

Then it goes on to point out that there is need for rehabilitation and for water conservation through various means. I am not allowed to refer to irrigation; therefore I shall not. But this article refers to the restoration of lake levels and to the provision of urban water supplies, and rehabilitation in various other ways.

I think the house should have some information as to how serious the situation is in this central portion of Saskatchewan. Let me point out that in the area of 18 rural municipalities between Saskatoon, Regina and Moose Jaw, and also west of the Elbow, some indication of the degree of need for water conservation may be gained from the fact that between the years 1945 and 1950, inclusive, almost $7 million was paid under the Prairie Farm Assistance Act in respect of crop failures. The following table will show the number of farmers affected, and the amounts received in each of the years indicated:

Year	Number of Farmers Affected	Amount paid
1945	4,366	$1,129,755
1946	3,661	835,618
1947	5,669	1,675,282
1948	5,715	1,793,873
1949	4,785	1,540,275
1950	2,770	831,458

These were payments made for crop failures. I suggest these figures give the house some conception of why I make an appeal in connection with moneys to be expended in pursuance of this resolution, and ask that moneys be expended in Saskatchewan where, apparently, little or no consideration is to be given, if the minister's statement made at the outset is to be taken in its entirety.

This is a serious situation. A royal commission met and dealt with the matter. It considered the need of water conservation projects in Saskatchewan. One of the recommendations it made had to do with the need of water conservation in the Pasquia area between the Saskatchewan and Carrot rivers, where, through diking, 100,000 acres in the area would be made profitable. That is all very good. That all comes within the provisions and the ambit of the resolution moved by the minister when he said there were going to be small projects and major projects and that apparently the purpose was to render, by drainage operations, certain areas available for agriculture. Let me say this—

Mr. Winters: I did not say that.

Mr. Diefenbaker: The minister does not want it made available for agriculture; all right, available for some other utilization, forests or otherwise.

An hon. Member: To conserve it, that is all.

Mr. Diefenbaker: I feel that this resolution as it stands is a mock resolution when it comes to grips with the situation that we have in Saskatchewan. Our situation is serious. Even in the last few years, in those municipalities, during productive years, I have given figures which indicate that however effective prairie farm rehabilitation has been, something more must be done.

We in Saskatchewan believe that the royal commission report is not fair or just to our province in that it does not make provision for water conservation, except for a suggestion in regard to the Pasquia plan and the one on the Qu'Appelle river. I should like to see my hon. friends from Saskatchewan who gave interviews to the press only two or three weeks ago get up in their places and demand on behalf of the people of that province what is in the heart of everyone there, that something must be done as far as the royal commission is concerned.

Mr. Smith (Moose Mountain): On a point of order, are we going to be allowed to discuss the report of the royal commission on the South Saskatchewan? I want to know if I can accept the invitation of the hon. member for Lake Centre.

Mr. Diefenbaker: I have spoken nothing of irrigation; I have spoken of the inadequacy of the report. I am surprised at my hon. friend's interest and this making one voice outside of parliament when exercising a different vote in parliament.

Mr. Ferrie: No, no.

Mr. Diefenbaker: Indeed, Mr. Speaker, my hon. friend says I should not say anything about the inadequacy of that report, and the hon. member for Kindersley has said that the royal commission has a considerable amount of eyewash mixed in with it.

Mr. Smith (Moose Mountain): I did not say any such thing. I was asking you, Mr. Speaker, if we were going to be allowed to discuss this whole program. I am just as much interested in the South Saskatchewan program as is the hon. member.

Mr. Diefenbaker: I have not mentioned the South Saskatchewan project.

Mr. Ferrie: Mr. Speaker—

Mr. Deputy Speaker: I have heard the hon. member who has the floor talking about a royal commission and he has also referred to a report.

[Mr. Winters.]

It is quite difficult for the Chair to make a decision. I have seen the report having to do with the South Saskatchewan river. As long as the hon. member speaks about a report, about a royal commission, and does not identify it; if he is satisfied that that is the way he should speak about things, without identifying them, then I am at a loss to decide whether he is really speaking about the specific report of the royal commission on the South Saskatchewan river. The hon. member knows that a ruling was given a moment ago, and he cannot transgress that ruling by speaking indirectly of something that he would have spoken about had the ruling not been given. I know he realizes that.

The hon. member for Moose Mountain (Mr. Smith) apparently identifies the report to which the hon. member for Lake Centre is referring as being the report of the royal commission on the South Saskatchewan river project. I ask hon. members to give me their co-operation, and that is all I can do at the moment. Debate is allowed on a motion provided it is within the rules. I ask the hon. member, if he was transgressing the ruling I gave a moment ago, not to continue doing so.

Mr. Diefenbaker: I have never transgressed the rules at any time, and I am amazed at my friends from Saskatchewan who read into my remarks anything in connection with irrigation when I have refrained specifically from mentioning that. They seem to have sensibilities that are easily seared by imaginary things.

Mr. Ferrie: I realize that a lawyer can make words go around and around and around. I want to know just how the hon. member can talk about the Elbow river, how he can talk about a royal commission, how he can talk about things that came down in the report and not mention the South Saskatchewan river project.

Mr. Hees: That shows how smart he is.

Mr. Ferrie: As far as that is concerned, I want to say that we are just as much in favour of it as he is.

Mr. Hees: Go and vote for it then.

Mr. Diefenbaker: I think the right place to say that is in parliament instead of saying it in press reports and then voting against any discussion of it in parliament.

Mr. McIlraith: That is not what the vote was on.

Mr. Diefenbaker: I am amazed to find my confrères from Saskatchewan rising one and all and referring to a report about which I

have said nothing in so far as irrigation is concerned, other than to point out that it deals with the Pasquia project and the rehabilitation of swamp land. Immediately my hon. friends see in that some transgression. The people of Saskatchewan want them to be saying something for irrigation instead of trying to prevent us discussing it.

Mr. McIlraith: It was the point of order that was voted on.

Mr. Studer: You said you were not discussing irrigation.

Mr. Diefenbaker: I was not talking about that. My hon. friends jump. Are they so sensitive? I tell them that the people of Saskatchewan are not satisfied with these two simple recommendations of that commission. They want action—

An hon. Member: What commission?

Mr. Ferrie: Is there another commission somewhere?

Mr. Diefenbaker: Mr. Speaker, I did not finish the sentence. My hon. friends seem to be mind readers. They know they should be supporting the thing they are trying to prevent my bringing before you. I say that the rules prevent any discussion of the matter that you ruled out, and I refrained specifically from mentioning it. I do not like to have my hon. friends interrupt just because their consciences are pricking them because they will not take a stand on the subject. Not only should they have a voice on this, they should vote. Therefore I move, seconded by the hon. member for Vancouver-Quadra (Mr. Green):

That all the words after "that" in the resolution be deleted and the following substituted therefor: "in the opinion of this house a measure respecting the conservation of water resources should include provision for the immediate construction of the South Saskatchewan river dam project."

Mr. Deputy Speaker: The amendment of course is out of order because the motion now before the house is that I do now leave the chair for the house to resolve itself into committee of the whole upon a certain proposed resolution, and it is not permissible at this stage to amend the terms of the resolution itself. I should like to refer the hon. member to a ruling on the same point made by Mr. Speaker Glen which appears at page 551 of Beauchesne's third edition. I should like to read to the house the conclusion of Mr. Speaker Glen's ruling which appears at page 553. It is as follows:

Mr. Speaker ruled the amendment out of order on the ground that the question before the chair was a motion that he leave the chair and that, at this stage, it was not permissible to amend the terms of the proposed resolution.

Therefore I declare the amendment out of order.

Mr. Diefenbaker: Mr. Speaker, I respectfully appeal.

Mr. Deputy Speaker: I did not hear the hon. member.

Mr. Diefenbaker: I respectfully appeal, with deference, from your ruling.

Mr. Deputy Speaker: Those in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

And the members having been called in:

Mr. Deputy Speaker put the question as follows:

Mr. Winters moved, seconded by Mr. Fournier, Hull, that I do now leave the chair for the house to resolve itself into committee of the whole on a certain proposed resolution respecting assistance to provinces for the conservation of water resources. Mr. Diefenbaker moved, seconded by Mr. Green, in amendment thereto:

"That all the words after 'that' in the resolution be deleted and the following substituted therefor: 'in the opinion of this house a measure respecting the conservation of water resources should include provision for the immediate construction of the South Saskatchewan river dam project'."

I ruled the amendment out of order on the ground that it was not permissible at this stage to amend the terms of the proposed resolution.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Applewhaite	Fournier (Hull)
Ashbourne	Gauthier (Lake St. John)
Balcom	Gauthier (Lapointe)
Bater	Gibson
Beyerstein	Gingras
Blackmore	Goode
Blanchette	Hansell
Boisvert	Harrison
Boucher	Helme
Bradley	Hetland
Campney	Hosking
Carroll	Huffman
Carter	Johnston
Corry	Jutras
Cote (Matapedia-Matane)	Kickham
Dechene	Kirk (Antigonish-Guysborough)
Eyre	
Fair	Kirk (Digby-Yarmouth)
Ferrie	LaCroix

Lafontaine	Quelch
Larson	Richard (Ottawa East)
Leger	Rousseau
Little	Simmons
Macdonald (Edmonton East)	Smith (Moose Mountain)
MacDougall	Smith (Queens-Shelburne)
MacKenzie	Stick
MacLean (Cape Breton North and Victoria)	Studer
McCulloch	Tremblay
McIlraith	Weir
McIvor	Whiteside
Mott	Winkler
Murray (Cariboo)	Winters
Pearson	Wood
Prudham	Wylie—67.

NAYS

Messrs:

Adamson	Jones
Argue	Knight
Black (Cumberland)	Knowles
Brooks	Lennard
Browne (St. John's West)	MacInnis
Bryce	MacLean (Queens)
Churchill	McLure
Diefenbaker	Montgomery
Dinsdale	Pearkes
Ferguson	Ross (Souris)
Fulton	Stewart (Winnipeg North)
Green	Thatcher
Hees	Tustin
Hodgson	Wright—28.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the resolution we have before us precedes a measure for the conservation of water resources under the terms outlined in the resolution, and provides for a payment by the federal government of 37½ per cent of the cost of the various projects that may come under this legislation.

I submit, Mr. Speaker, although it may be technically correct, as the minister says, that this resolution deals only with water conservation, nevertheless it cannot help but have a bearing upon the soil resources in various parts of Canada. If you are conserving water resources for the prevention of floods, surely one of the important reasons for the prevention of floods is to prevent damage to agricultural lands. That being the case I say that this resolution and this legislation is in the wrong department; not because I have not the greatest respect for the Minister of Resources and Development (Mr. Winters) but because I feel that any proposition dealing with water conservation must at the same time affect the conservation of our soil resources, and should be in the Department of Agriculture.

I am very disappointed indeed with the niggardly contribution that the federal government proposes to make toward any project developed under this particular legislation. Reviewing other projects in the past, the government here took the position that it should pay the total cost of large capital works and that any subsidiary costs should be paid by the provincial authority. The provincial authority may derive some of the necessary funds from citizens who receive definite advantage from the project. In any large project that has been finalized the federal government's contribution, instead of being something over one-third of the cost, has been approximately two-thirds of the over-all cost of the project.

Other projects, and especially one other major project for Saskatchewan, if dealt with by this resolution would be most inadequately covered because the proportion of the sums involved which the federal government is prepared to advance is in my opinion very low, far too low, and would not be a satisfactory basis for the general conservation of water resources. I protest, Mr. Speaker, along with the hon. member for Lake Centre (Mr. Diefenbaker), the fact that in this resolution, and in the statement which the minister gave to the house this afternoon, there is no provision for water conservation on the South Saskatchewan river in the province of Saskatchewan.

It has already been pointed out how important water is to that province. The hon. member for Lake Centre mentioned a number of municipalities and the cost to the government through P.F.A.A. and other payments. I might mention 36 municipalities in the central area of Saskatchewan which over the years have cost the public treasury some $29 million in relief payments and over $15 million in prairie farm assistance. That is a total cost to the federal treasury of well over $40 million.

That area of Canada, the central portion of Saskatchewan, needs water conservation in the worst way. Certainly I feel that it is not only in the public interest in the sense that we should help our Canadian citizens living in that part of Saskatchewan, but it is also in the public interest from a financial standpoint; because unless there is adequate water conservation and utilization in that area there will be a further burden of many millions of dollars on the federal treasury in the years to come.

I hope that, while we have been unable to discuss a development that is in the minds of many members this evening on this motion that is before us now, the minister who is piloting this resolution through the house will discuss the matter with his colleagues in the cabinet and make certain we are given a chance at an early date to debate the other matter which we all have in our minds, that is the South Saskatchewan river project, so the people of Saskatchewan may also have a

chance of obtaining a program and a project that would provide them with real water conservation in that area.

Mr. Speaker, this resolution comes from the wrong department. The resolution makes a mockery of water conservation when it does not deal with the project that is in the minds of most members. I say to the government that in order to discharge their responsibility, particularly their responsibility to the people of western Canada, they should provide a water conservation measure under which payments far above the 37½ per cent set forth here can be made. I would say, as a matter of fact, that any percentage less than two-thirds of the total final cost of the project is something less than the government should provide.

I am disappointed, as I have said, that this project is not in the Department of Agriculture. The agricultural institute of Canada, in a submission to the government earlier this year, made reference to this very legislation which was forecast in the speech from the throne. They contended that any conservation of water resources that affected the soil in any way, shape or form, should be dealt with by the Department of Agriculture. On page 1 of their brief, they had this to say:

> We have learned that the government of Canada proposes to present to the present session of parliament legislation concerning the conservation of water resources.

That is the legislation we are discussing now.

> It is the opinion of the institute that unless such development is entirely exclusive of actual water conservation relating to agriculture, it would lead only to serious duplication of effort, wastage of public funds and considerable confusion.

I say this resolution proves that there is duplication in the matter of water conservation. If we are to get efficient management of our water and soil resources; if we are to get adequate conservation, then the authority handling the conservation of water resources should also handle the conservation of soil resources, and that authority should be in the Department of Agriculture.

We are extremely disappointed that this resolution has not made provision for that project which is dear to the hearts of the people of Saskatchewan, no matter to what political party they may belong. We naturally hope that a member of the government will bring forward a proposition at an early date that will provide for that project. Moreover, whether or not the government decides to carry out the requests that I have made, I trust that the government will delay no longer in giving parliament an opportunity to discuss this very important matter. If the opportunity is delayed until after the dissolution of this parliament, then I feel that the people of Saskatchewan in every political party will resent what will appear to them to have been interference with the democratic right of their members to voice their opinion on that vital project.

Mr. Rodney Adamson (York West): This debate, Mr. Speaker, has brought out a fundamental difference in outlook between two professions, that of the engineer and the lawyer. The engineer wants to do something without talking about it, and the lawyer wants to talk about it without doing anything. The difference between the two professions is this. The engineer only gets paid when he does something, and the lawyer gets paid when he talks about it so that he can talk about it again.

Mr. Fulton: I see that a lot of engineers got paid quite a bit of money for very bad advice.

Mr. Adamson: As a member of the house, and as an engineer, one finds oneself in great sympathy—if the hon. member for Kamloops (Mr. Fulton) had not interrupted—with the lawyers in this house.

Mr. Gibson: Don't feel sorry for them.

Mr. Adamson: Unless there is adequate discussion in this parliament there can be no action, and it is for that reason that I propose, with due deference, to take a little time.

The question of water conservation is one which affects the entire continent of North America. It is not merely a question of the construction of a few dams. It is not merely a question of localized grants to provinces and it is not, as I hope to show, purely an agricultural problem. The problem of water conservation enters the whole economic life of the country. I want to mention the case of the three prairie provinces. It is hoped that the three prairie provinces will gradually become industrialized, as have the states on the great plains in the republic of the United States of America. The economy of these states has become more co-ordinated and has not been subjected to the difficulties of a one-crop economy, with all the devastating fluctuations which take place in a country or a province with that type of economy.

The question of water and industrialization is perhaps one of which hon. members do not realize the importance. The consumption of water industrially is simply stupendous, and and I propose to give a few figures to show what the industrialization of a country means in terms of water consumption. For instance,

the production of a ton of rolled steel requires the consumption of 110,000 gallons of water. This water is completely dissipated in the form of steam and in other ways. The production of a ton of rayon yarn takes 250,000 to 400,000 gallons of water; a barrel of aviation gasoline takes from 1,050 gallons of water, if made from the natural product, to as much as 15,000 gallons of water if made synthetically.

If we are ever going to help the west industrialize, the problem of the water table ground water supply is just as essential as the other minerals which will be necessary to make the west an industrial area. Therefore when we talk about the conservation of water, particularly in the west, we are not merely dealing with the taboo subject, which of course I shall not mention; we are dealing with the very basis of the economy of the whole country.

The precipitation in North America south of the northern limit of cereals is approximately 30 inches a year, and for Canada this works out to about 5 billion acre-feet of water. An acre-foot is the term used for discussing water supplies on the land, meaning a depth of one foot of water over an area of an acre. This tremendous amount of water is only partially used by man. Most of it is either wasted or is disposed of in what is known as the run-off. Irrigation, domestic, municipal and industrial use is probably less than 100 million acre-feet in Canada out of about 5 billion. The United States figure is 160 million acre-feet.

We have in North America two-thirds of the world's supply of surface water. That is a conservative estimate. The surface water is lakes, streams, and water which is, as the name implies, on the surface, but differs of course from ground water which is under the surface. The ground water supply which we have at the moment is equal to about thirty years of annual precipitation. In other words the ground water at any time is equal to about thirty years of run-off; but despite this abundant source of ground water we have in the last few years suffered a shocking drought because we have been negligent in the conservation of our water supply. We have permitted excessive run-off; we have depleted in certain sections the ground water; we have lowered the water table until some places in the province of Saskatchewan are unsuited now for industries because of the lack of ground water.

That is something we cannot let go without endeavouring to correct it. Where you have a condition of the soil brought about by carelessness, by bad management, by lack of conservation which has destroyed the ability of that area to have a balanced economy, then it is time something more than those steps which are envisaged in this resolution is done. It is for that reason that I think this resolution is inadequate.

We go on from the question of ground water to the question of evaporation. The term which is used is evapo-transpiration, and it accounts for about two-thirds of the total precipitation every year. As the climate over the last fifty years has definitely shown that it is slowly but steadily warming, the transpiration is increasing and the evaporation due to the warmer climate is much greater than it was a quarter or a half century ago; and as the trend is continuing the question of conservation becomes, with every fraction of a degree increase in temperature, a very much more serious problem.

I shall not go into the details of water use and discuss the matter in any technical terms, but let me say this. Our North American cities use approximately between 150 gallons and 160 gallons per capita per day; whereas the European cities use fewer than 40 gallons of water per capita per day. It is on that use of water that a very great deal of our income and our high standard of living is based. If we allow our surface water to run off in the excesses to which it is doing in many rivers today, or if we allow the water table to sink lower and lower and become depleted, we will endanger the metropolitan life of our country.

If you want to realize how serious that can be you have only to look back to 1949 and 1950 at the terrific catastrophe that was narrowly averted in the city of New York when the reservoirs of that city practically dried up. Despite our apparent abundance of water, the same thing could happen here. I live on a small creek that used to be a salmon river. It has not had a fish in it for 25 years. Yet in the middle of the last century it was a salmon river.

The trend is still going on. We do not see it, because we do not measure the destruction of our water supply with a scientific instrument. We say, "What a pity it is that the old swimming hole is not what it used to be." Or we say, "What a pity it is that the old creek is not full of water, and has no fish in it any more."

The reason it is not as it was before lies in the fact that we are scandalously wasteful of the greatest heritage we have, and that is our water supply. We are more profligate in the waste of water than in perhaps anything else. I speak tonight on this resolution because I feel this whole question of the conservation of water is one which must be

taken as a permanent, long-term problem, not merely as a resolution brought in concerning a few check-dams.

It has to form a part of the basic thinking of this country because, Mr. Speaker, despite the abundance we have, despite our amazing riches we can, as we have in parts of Canada, destroy this great heritage.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, it seems to me we have been so long away from the subject matter of the resolution it might be fitting to place on record just what it states. The resolution we are discussing is as follows:

Resolved, that it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure, such grants not to exceed thirty-seven and one-half per cent of the—

And I understand the words "cost of the" are to be put in there.

—projects; and to be paid out of moneys appropriated by parliament for the above mentioned purposes; and to provide that all officers, clerks and employees required for carrying out the provisions of the measure shall be appointed in accordance with the provisions of the Civil Service Act.

I should not like to go very far away from the excellent speech just delivered by the hon. member for York West (Mr. Adamson) before commending him. I believe he has made a real contribution to the information of hon. members and the country, and I think his warning voice is lifted not one minute too soon.

I do not hesitate to say that I am heartily in support of this resolution. Our group has felt that this was not a resolution under which we should be discussing any irrigation project at all. This resolution, as it says, is purely for the conservation of water. That is why we have supported Mr. Speaker's rulings in both cases; and our names will appear as having voted contrary to members of the C.C.F. and the Progressive Conservative party. It is not that we are not deeply in sympathy with the development of water reservoirs and irrigation systems but, according to our understanding, that kind of thing will be taken care of under the Prairie Farm Rehabilitation Act which at the present time, as everyone recognizes, is an excellent measure and is being administered with what I consider to be great wisdom, courage and progressiveness.

I do not think it is fitting that members in opposition should be everlastingly finding fault with the government when the government is doing a good job. When it is doing well I believe in telling it so, just as I believe that when a man is living a good life one ought to tell him a little bit about it before he dies, and should not be content with sending him flowers after he dies. I am not hoping that the Liberal government will die, but I will say that, in my judgment, since it took office in 1935 this government has administered the P.F.R.A. with what I consider to be laudable wisdom and progressiveness.

Before going further may I express sympathy with the British Columbia members who have sought to have the operations of P.F.R.A. extended to their province. I see no reason why that should not be done; in fact I see a good many reasons why it should be done.

Then turning to the resolution, may I say again I believe it is a laudable one. I am not saying that it goes far enough. I do not say that the hon. member for York West was extreme in pointing out what he considered to be deficiencies in the resolution. However, I look upon it as a very good one, because it is a step in the right direction. It is a first step, and a good substantial one, when the government undertakes to pay 37½ per cent of the cost of water conservation projects undertaken jointly by the provinces and the dominion. Perhaps we shall see a better provision before long; but, as a start, I think this is a very good one, and I desire to voice commendation for it.

I should like to revert to the general subject the hon. member for York West has discussed. In addition to offering my congratulations, I should like to give him support. For the benefit of those who live in parts of Canada remote from areas most affected by this resolution, I would point out that we have in the three prairie provinces an enormous area known as the Palliser triangle, to which the hon. member for Lake Centre (Mr. Diefenbaker) has already referred this evening. I, too, made reference to it in my remarks a year ago in support of the South Saskatchewan dam.

This Palliser triangle is a potential source of very great wealth, if it is properly managed. It can be a source of great calamity to this nation if it is not wisely managed. Somehow or another we must make provision for wise management of the Palliser triangle. True, we have great crops, sometimes year after year, in that area. But there is hardly a year in which there are not numbers of farmers in that region who lose their crops because of drought. There have been years when that whole country has been threatened with dust-bowl conditions.

Those times can come again. What should we be prepared to do to implement this resolution? In the first place, as has been

pointed out several times during the session, we have a watershed on the eastern slope of the Rocky mountains. Much has been done already by the provinces and the federal government through wise co-operation by way of making provision for the adequate protection of the forests on the watershed. I know, however, that the Minister of Resources and Development (Mr. Winters) realizes that much more must be done.

There are great stretches on those mountain slopes where the forests have been denuded. Each of those slopes from which forests have been removed is a threat to the water supply of the Palliser triangle. We have to look forward to a time when we shall reforest our mountain slopes that have been denuded by settlers and by fires. That would cost a lot of money but it is one of the things that must be looked after, perhaps under the provisions contemplated by this resolution. Far too little water is falling in Alberta and Saskatchewan to meet the needs of the Palliser triangle in respect of irrigation alone. In addition to irrigation we have the needs of the cities—

Mr. Deputy Speaker: The hon. member should not refer to the irrigation project about which he is now speaking. As he knows, under the ruling given earlier he would be out of order.

Mr. Blackmore: Mr. Speaker, after your experiences tonight I do not wonder that you are meticulous in the application of the rules. But I was not going to discuss irrigation; I was simply referring to the need of water for irrigation. In addition to those needs there must be water for the settlements. That need is increasing. Cities like Regina, Moose Jaw, Saskatoon, Lethbridge, Medicine Hat and others across these plains will require more and more water, and provision must be made for them to have more water. That provision must be made before we go too far. I am not sure that enough care has been taken to look forward to the increasing needs of our cities and settlers as far as water for domestic and industrial uses is concerned. I take it that one of the objects of this resolution is to have all such matters looked into and to take the necessary measures while still there is time.

A good deal of the area in the Palliser triangle at least will have to be regrassed. This will have to be done on a large scale. Wind erosion has been very notable in many parts, and water erosion has been great. As a means of protecting the soil against erosive elements we shall have either to regrass or cover with some other vegetation. This will cost money. I would imagine that such measures will be covered by this resolution.

In addition we need more forest fire control. There are nowhere near adequate means for protection against fire, although much progress has been made in the last fifteen years. We are still terrified when a forest fire breaks out because we are never sure it will be brought under control. We should spend enough money to enable us to check an ordinary forest fire in a reasonably short time. The devastation wrought in British Columbia and Alberta by forest fires during my memory is something we cannot afford to allow to continue. Otherwise we shall just not have the means of conserving water or providing ourselves with the wood we need.

Then there is the matter of dams and reservoirs, not for irrigation but for conservation. There are many places in the mountains where, by the building of dams, we could reservoir a great deal of water. There are many lakes which could be filled. I am sure the hon. member for Acadia (Mr. Quelch) will be mentioning one of these, Sullivan lake, in connection with the Red Deer diversion area which is so dear to his heart. There are many lakes like that throughout the country which could be filled with water which now runs to waste in the spring or in times of wet weather during the summer. A great deal of this water could be conserved by the strategic building of dams.

I have mentioned only two or three matters in a rambling sort of way. I did not expect to participate in this debate. I have meant what I have said as in the nature of support for the resolution. As I remarked at the beginning, I commend the minister for introducing the resolution. It is a progressive resolution; I propose to support it. I intend to back any additional provisions such as this as long as I am permitted to remain in this house.

On motion of Mr. Herridge the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday we will consider the following measures: Bill No. 103, to amend the National Defence Act; Bill No. 7, to amend the Loan Companies Act; Bill No. 8, to amend the Trust Companies Act; Bill No. 38, respecting the Saint John Bridge and Railway Extension Company; Bill No. 39, to amend the Canadian Overseas

Telecommunication Corporation Act; Bill No. 19, to amend the Canadian Vessel Construction Assistance Act; and Bill No. 40, respecting the appointment of auditors for national railways.

We hope to have time to take up the three resolutions standing in the name of the Minister of Resources and Development that were announced yesterday. One is with respect to the conservation of water resources; the other is with respect to the establishment of a historic sites and monuments board of Canada, and then there is the resolution to revise and consolidate the Yukon Act.

Mr. Knowles: Are we going into supply as well?

Mr. Fournier (Hull): Not on Monday.

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

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HOUSE OF COMMONS

Monday, February 2, 1953

The house met at 2.30 p.m.

FLOODS

DAMAGE IN THE UNITED KINGDOM, THE NETHERLANDS AND BELGIUM—MOTION OFFERING SYMPATHY AND HELP

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, as you know, we have all been deeply moved by the news of the disasters both on sea and on land that have taken place as a result of the terrible storms raging about the United Kingdom, and the channel between the United Kingdom and continental Europe.

We do not know as yet just the extent of the disaster, but we do know that very many lives have been lost, that many, many families have been forced to evacuate their homes, and that there has been a great destruction of property. I think I can assume that I would have the consent of every hon. member if I were to put a motion at this time in connection with this disaster. We all remember what great comfort our people got out of the sympathy of the peoples of those lands when disasters overtook some of our fellow citizens in the Fraser valley, in Manitoba, in Rimouski and Cabano in my native province of Quebec. We all know how much good it does to people who are in the throes of such disaster to realize that they have the active and concrete sympathy of those they regard as their friends.

If I may have unanimous consent to move the motion, without the usual notice, I do move, seconded by the Leader of the Opposition (Mr. Drew):

That His Honour the Speaker be asked to convey to Her Majesty the Queen, to Her Majesty the Queen of the Netherlands and to His Majesty the King of the Belgians the deep sympathy of the Commons of Canada to the people of the United Kingdom, the Netherlands and Belgium who have been so sorely stricken by the appalling disaster which has befallen them and the earnest desire of the Canadian people to manifest their sympathy to the sufferers in such concrete form as, after more accurate information is available about the actual needs, will prove to be the most helpful to them in their great distress.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I am very pleased to be permitted to join with the Prime Minister (Mr. St. Laurent) in seconding the motion that has been placed before the house. I know all hon. members will regard this as an opportunity to express their own sympathy with those who are suffering so severely in Britain, in Holland and in Belgium at this time. As many hon. members will have heard in the news broadcast within the last hour, the floods are increasing on an even greater scale and those who have suffered so greatly already would appear to be facing even worse trials than those they faced before.

While the terms of suffering cannot be measured in the loss of life as given in numbers alone, nevertheless it must have impressed all hon. members who heard the latest reports that since this morning the figures have risen to 397 known dead in Britain, 464 in Holland and 27 in Belgium, with the accompanying statement that this probably represents only a part of what the loss will actually be.

The Prime Minister (Mr. St. Laurent) has pointed out that at a time when we felt something of the damage and sorrow that can come from floods here in our own country we were greatly heartened by the evidence of sympathy that came to us from across the ocean. I happened to be in Winnipeg on the day when a large air transport arrived from Great Britain carrying goods and supplies which had been sent from there to assist the sufferers in that area. I know something of what the effect was on the minds of those who were suffering at that time and who realized that with the privations under which the people of Great Britain had been living they had gone to the extent they had in sending these things for their assistance.

We also received succour and assistance from the people of Holland and Belgium. I know that this cannot be reduced to the terms of a return for what was done, but nevertheless we know, from what they did, what our evidence of sympathy at this time may mean. I heard this latest report just before I came into the chamber and I did not have an opportunity to speak to the Prime Minister, but I would place before him the suggestion that with the extent of the disaster being as it is it might perhaps be desirable to consider the possibility of taking initial steps to set up a committee of some kind so that in every community something

may be under way, and when the type of assistance that is to be given can be determined by the governments of Great Britain, the Netherlands and Belgium it will then be possible to proceed with the utmost speed.

I think that that might be worth while, considering the encouragement that would come from the knowledge that positive action had been taken along that line. It might well be that a non-partisan committee under the chairmanship of Mr. Speaker could proceed to lay down general plans and indicate to mayors and reeves throughout Canada that preliminary arrangements might be undertaken to meet whatever situation does arise as a result of the decisions of these governments.

This storm and the floods accompanying it are stated to be the worst in 500 years and I do feel that our attitude in regard to it might well be measured by the extent of the tragedy which has visited the countries which have been named by the Prime Minister in this motion.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, this group would like to join with the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew) in supporting the motion which has just been made. We appreciate the prompt action taken by the Prime Minister because we realize the many disturbing and perplexing problems that must come to his desk in these strenuous days. Yet he finds time to take this most humane and friendly action.

This motion this afternoon is just another indication of how small the western world is becoming. We think of extending aid to countries on the other side of the Atlantic as we would of extending aid to a neighbouring province or a nearby country. I am glad indeed that the Prime Minister mentioned material aid because after all that is what will be of the greatest assistance to the people concerned as soon as help of that kind can be properly measured and extended.

Mr. Solon E. Low (Peace River): Mr. Speaker, we have no hesitation in giving our unanimous support to the motion which has been moved by the Prime Minister (Mr. St. Laurent). We think it is only right that we in Canada, who have been the recipients of assistance from the various countries that are now stricken, should do everything we can to help these people in return. Even if they had not helped us I am sure the Prime Minister would have brought forward a motion of this kind. In addition to sending our expressions of sympathy and all the moral support we can at this time, we feel that out of the blessings we have received from Providence we should be prepared to assist these people in a material way. We will back the Prime Minister and the government in whatever they want to do.

Mr. L. A. Mutch (Winnipeg South): Mr. Speaker, representing as I do the area in the Red River valley which suffered perhaps the major loss in the recent flood, I should like to say that having returned from there only yesterday I have had communications from that area expressing the hope and desire of those who benefited so materially from the kindliness of those who are now afflicted that they be associated completely with any attempts that might be made to make a return for the sympathy and the material assistance given, and to show their appreciation at such a time.

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

Some hon. Members: Unanimously.

Motion agreed to unanimously.

THE BUDGET

ANNOUNCEMENT OF PRESENTATION ON THURSDAY, FEBRUARY 19

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, subject to the usual reservations as to unforeseen contingencies, I want to announce that I intend to bring down the budget on Thursday, February 19, at the usual hour of eight o'clock.

CRIMINAL CODE

PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa): In compliance with the motion of the Minister of Justice (Mr. Garson) on Friday, January 23, I move:

That the following members form the special committee on the criminal law: Messrs. Brown (Essex West), Browne (St. John's West), Cameron, Cannon, Carroll, Churchill, Diefenbaker, Garson, Henderson, Laing, MacInnis, MacNaught, Macnaughton, Noseworthy, Pinard, Robichaud, and Shaw.

Motion agreed to.

QUESTIONS

TELEVISION SETS—SALES AND TAXES

Mr. Hellyer:

What revenue has the government received from sales and excise taxes on television receiving sets, each month for the last five years?

Mr. McCann:

No segregation of sales tax revenue is made according to commodities.

The Excise Tax Act applies the excise tax to "phonographs, record playing devices,

radio broadcast or telecast receiving sets and tubes therefor and apparatus for receiving radio broadcast and music". The tax received from manufacturers under this heading is in total and the amount paid on any one item is not known.

"NATION'S BUSINESS" BROADCAST—MR. DREW

Mr. Harrison:

1. Was the broadcast delivered by the Hon. George Drew, M.P., Leader of the Opposition, on the Canadian Broadcasting Corporation program of political broadcasts "Nation's Business" on Tuesday, January 13, 1953, a live broadcast or a recording?

2. If the broadcast was a recording, was it recorded before the session of the house beginning at 2.30 p.m. on Monday, January 12, when the Prime Minister answered a question and explained that there had been no horses on the army payroll?

Mr. McCann:

1. Live broadcast.

2. See answer to No. 1.

POSTMASTERS—PAYMENT FOR OVERTIME

Mr. Noseworthy:

1. Were any postmasters or any assistants to postmasters, in post offices with revenue over $3,000 per annum paid for their extra overtime, during the Christmas rush?

2. If not, is it the intention of the Post Office Department to pay them for their extra overtime worked during the Christmas rush?

Mr. Langlois (Gaspe):

1. The regulations governing overtime in the postal service authorized by the governor in council on the recommendation of the civil service commission do not grant payment for overtime to senior supervisory personnel which include postmasters.

Compensation for overtime during the Christmas period falls in two classes—

(a) staff offices;

(b) semi-staff offices.

In staff offices compensation is given for overtime worked during the Christmas period to employees up to and including the class postal supervisor grade 2 when engaged in manipulative duties.

In semi-staff offices compensation is given to assistants to postmasters for overtime performed during the Christmas season by granting equivalent time off or by payment in cash.

2. See answer to No. 1.

DORVAL AIRPORT—ACCOMMODATION

Mr. Macnaughton:

1. Has the Department of Transport received any complaints with respect to inadequate and outmoded facilities provided at the domestic and transatlantic terminal buildings at Dorval airport, Montreal, for (a) air travel passengers; (b) the public generally?

2. Has the Department of Transport received any complaints to this effect from the different airline companies, both domestic and foreign?

3. Has any survey of the situation been made?

4. Are any plans for improvements under active consideration? If so, when will a start be made to improve this situation?

MALTON AIRPORT—TERMINAL FACILITIES

Mr. Macnaughton:

1. Has any recent survey been made of the terminal facilities at Malton airport, near Toronto?

2. If so, what improvements are projected and when will they be started?

GANDER AIRPORT—PASSENGER FACILITIES

Mr. Macnaughton:

1. Has any recent survey been made of the passenger terminal facilities at Gander airport, Newfoundland?

2. If so, what improvements are projected and when will they be started?

Mr. Chevrier: Mr. Speaker, I should like to deal orally with these three questions. I have for some time been fully aware that terminal building facilities at the major airports operated by my department are inadequate to meet the rapidly growing needs of civil aviation. Many representations to this effect have been received both from the public generally and from commercial air lines. Concentration on the defence program has, however, meant that expansion of terminal facilities, along with many other desirable projects, has had to be deferred. I am glad to be able to report that I have instructed my officials to proceed as rapidly as possible with the preparation of the necessary architectural plans for expansion of airport terminal facilities so that construction may begin just as soon as funds can be made available.

We have already completed small new terminals at the lakehead and at Moncton during the past year. Blueprints for a new building at Saskatoon, made necessary by national defence use of buildings previously employed for civil purposes, are almost completed, and this building will be constructed during 1953. At Gander we are improving the interior of the existing terminal through the provision of Canadian films and the installation of Canadian literature, exhibits, maps and murals. In addition, the preparation of blueprints for expansion of the Gander terminal facilities is now under way, and it is expected that these plans will be ready in time to allow construction to begin later this year.

My officials are also studying how best the present facilities can be expanded at Malton, and I have asked that plans be ready by the end of 1953 or early in 1954, if possible, so that if funds can be made available a contract for the expansion can be let promptly. At Dorval we are fully aware of

the need for a major change to combine both domestic and international terminal facilities in a much enlarged terminal building. I have directed my officials to reach an early decision as to whether a completely new terminal should be constructed in a new location or whether the existing domestic terminal can be used as the core of a new terminal. As soon as this decision has been reached, instructions will be issued for the preparation of plans and specifications.

In addition, my officials are well advanced with the preparation of specifications for a new terminal building of a size and type which would be suitable for use either in Ottawa or in Winnipeg. New buildings are required and will be provided in both places as funds become available. It is my hope to see construction initiated over the next two or three years for the necessary new terminal facilities at all our major airports to keep abreast of the growth of civil aviation.

CANADA MEDAL

Mr. Fraser:

1. Have any awards of the Canada Medal been made, since May, 1951?
2. If so, when were the awards made and to whom?

Mr. Bradley:

1. No.
2. Answered by No. 1.

AUDITOR GENERAL'S REPORT—ALTERATIONS

Mr. Knowles:

1. How many paragraphs in the 1952 report of the Auditor General were altered after August 25, 1952, following discussions with officers of the departments concerned?
2. What are the numbers of any paragraphs that were so altered?
3. Did any of these alterations involve deletions from paragraphs still in the final draft of the report? If so, what are the numbers of such paragraphs?
4. Were any paragraphs which were in the draft of the above report which was put in circulation on August 25, 1952, deleted from the report following discussions with officers of the departments concerned?
5. If so, how many paragraphs were deleted and to what departments did they refer?

Mr. Lesage:

1. 4.
2. Paragraphs 49, 53, 61 and 87.
3. No.
4. No.
5. Answered by No. 4.

CITIZENSHIP CONFERENCE

Mrs. Fairclough:

1. Is a citizenship conference being planned by the Department of Citizenship and Immigration?

[Mr. Chevrier.]

2. If so, where is it being held?
3. When will it convene?
4. Who has been invited?

Mr. Harris:

1, 2, 3 and 4. It is proposed to hold a seminar on citizenship next spring or summer for the discussion of the respective roles of governmental and voluntary organizations, but arrangements have not yet been completed and invitations have not been sent out.

QUESTIONS PASSED AS ORDERS FOR RETURNS

LAWYERS AND NOTARIES, CARLETON AND VICTORIA COUNTIES, N.B.—GOVERNMENT AGENTS

Mr. Noseworthy:

1. What lawyers or notaries public, residing in the counties of Carleton and Victoria, New Brunswick, have acted as agents on behalf of any department or board of the dominion government, during the fiscal years 1948-49, 1949-50, 1950-51, 1951-52, and from April 1 to December 31, 1952?
2. What amounts have been paid to each and in connection with what services?

IRRIGATION—SOUTH SASKATCHEWAN RIVER—ROYAL COMMISSION

Mr. Diefenbaker:

1. What is the total expenditure to date in connection with the royal commission on the South Saskatchewan river project for (a) commissioners; (b) counsel; (c) staff?
2. Are there any accounts above referred to that are unpaid? If so, how much?
3. How many hours were spent by each of the commissioners in drafting the report?

Mr. St. Laurent: Mr. Speaker, with respect to the third paragraph of this question, "How many hours were spent by each of the commissioners in drafting the report", that information is not available. So far as the other two paragraphs are concerned, I would ask that they be made an order for return.

Mr. Speaker: Order for return.

BERTHIERVILLE, QUE.—WHARF

Mr. Balcer:

1. Has the government sold the old Berthierville wharf in the county of Berthier-Maskinonge?
2. If so, to whom was it sold, on what date and for what amount?
3. Has the government contributed to the raising of the cement walls and to the filling up of the approaches to the said wharf?
4. If so, to whom were such contracts awarded and for what amounts?

EXTERNAL AFFAIRS

FORMOSA—REQUEST FOR STATEMENT AS TO CANADIAN POSITION

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I have a question which I had intended to ask the Secretary of State for

External Affairs but as he is not here I should like to direct it to the Prime Minister. Was the Canadian government informed or consulted as to changes in United States foreign policy with respect to Formosa, as stated by President Eisenhower in his speech at noon today? Will the minister make a statement on what stand the government took, or what stand it now takes on this important question, which it is considered in many quarters might have serious consequences for the peace of the world?

Right Hon. L. S. St. Laurent (Prime Minister): In the absence of the Secretary of State for External Affairs, and anticipating that such a question might be asked from some quarter of the house, I got a note from the officials of the department.

It will be appreciated that the government have not had an opportunity to study the text of President Eisenhower's announcement regarding the modification of the order to the seventh fleet, as this announcement was made only about an hour ago. I may say, however, that the presidential order to the seventh fleet, issued on June 27, 1950, was made on the sole responsibility of the United States government. The modification of the order announced today by President Eisenhower is also made on the sole responsibility of the United States government. Late Friday last, the Canadian embassy was informed about the forthcoming statement to be made by President Eisenhower, but it was not suggested that we should express our views about it. The Canadian ambassador, Mr. Wrong, arrived in Ottawa this morning. He is here on a visit which had been arranged before this incident occurred. Advantage will be taken of his presence to discuss this matter and its background more fully.

Mr. Drew: I would ask that we might have a statement at an early date with respect to another and, in my opinion, a much more important point raised in the speech by President Eisenhower today. That is his statement that the United States government is no longer going to regard itself as bound by any secret treaties with nations which have not observed their part of such undertakings. It is not necessary to point out what those treaties are. We all know what they are. It would seem to me that the consequences of that action are so far-reaching that we should have a statement in the house at the earliest possible date as to what this means in terms of Canadian policy with relation to the same subject.

Mr. St. Laurent: I feel quite satisfied that there are no secret undertakings with Canada that will be affected by the policy announced by President Eisenhower. The whole matter will be given careful consideration because, though they may be matters of entirely domestic concern to the people of the United States, all of us are so close together that what is of domestic concern to any one of us is apt to have the kind of repercussions upon the fate of others that makes it very desirable for us to give most definitive consideration to those matters.

Mr. Drew: Without extending the discussion I wish to indicate the point I had in mind. The statement by President Eisenhower does not relate to secret undertakings with other nations. It obviously referred to those secret agreements out of which grow certain divisions of authority which today have a very profound effect on the whole world situation. It is in relation to these matters, and particularly as they relate to Europe, on which I would hope we would have a definite statement as soon as possible.

[*Later:*]

REQUEST FOR EARLY DEBATE ON FOREIGN AFFAIRS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct to the Prime Minister a supplementary question with respect to United States foreign policy. Will the government give consideration to arranging for an early debate in the house on foreign affairs?

Mr. St. Laurent: Mr. Speaker, I understand that my colleague, the leader of the house, intends to move some time tomorrow to go into supply. That will be an opportunity for there being at least some preliminary discussion of matters of that kind. I know that the Secretary of State for External Affairs (Mr. Pearson) is very anxious that the house do go into committee of supply so that his estimates may be called and so that he may make a statement on external affairs before he is required to return to New York for the continuation of the sessions of the United Nations.

COINAGE

INQUIRY AS TO CORONATION ISSUE

On the orders of the day:

Mr. F. S. Follwell (Hastings South): I would like to direct a question to the Minister of Finance (Mr. Abbott) of which I have already given him notice. In view of the many inquiries by coin collectors, will the minister advise the house whether the Royal Canadian Mint intends to issue special coins to commemorate the coronation of Her Majesty Queen Elizabeth II.

If so, what will be the denominations of the special coins so issued?

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, it is not the intention of Canada to issue special coins to commemorate the coronation. As the house is aware, new coins bearing the effigy of Her Majesty have just appeared within the last two or three weeks. There are no plans for a further special commemorative issue.

FISHERIES

REQUEST FOR EXTENSION OF HERRING SEASON, PACIFIC COAST

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): May I direct a question to the parliamentary assistant to the Minister of Fisheries (Mr. MacNaught) to whom I have sent notice.

Will the minister extend the herring season in the lower east coast area of Vancouver island beyond the closure date of February 5, so that new orders from Formosa for salted herring may be filled? I understand that the orders cannot be filled without extension of the season?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I wish to thank the hon. member for Nanaimo (Mr. Pearkes) for having given me notice of his intention to ask this question. Since discussing the matter with him on Saturday morning many telegrams have arrived in the department regarding extension of the herring season.

The scientists attached to the Pacific biological staff of the fisheries research board of Canada have been asked to carry out an investigation to ascertain whether the conservation of herring will in any way be affected by extension of the closing date beyond February 5. When their report is received a decision will be made and announced.

IMMIGRATION

ADMISSION TO CANADA OF EAST GERMAN REFUGEES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Citizenship and Immigration (Mr. Harris) a question based on a C.B.C. news dispatch and a dispatch in the press to which I referred the minister in telephone conversation this morning. I should like to ask if the minister is able to say whether any conversations have taken place between the West German government and Canadian representatives regarding the admission to Canada of refugees from East Germany. If so, what is the position taken by the Canadian government?

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, as the hon. member knows, we are accepting immigrants from Germany in accordance with the policy which has been explained to the house on many occasions. I have no doubt that for that purpose conversations are going on at all times or at various times between the government of West Germany and our offices abroad. However, I noticed the comment in the press to which he referred me and all I can say about it is that we have had no communication of that kind in Ottawa, although there may have been a particular approach by the government of West Germany about which we will hear in due course. When we receive word about it, we will study it, having in mind the policy laid down, and having in mind the needs of the Canadian people for immigration.

RADIO BROADCASTING

INQUIRY AS TO IDENTITY OF "MR. M.P." IN BROADCAST

On the orders of the day:

Mr. Rodney Adamson (York West): Mr. Speaker, I would like to ask a question of the Minister of National Revenue (Mr. McCann) of which I have not been able to give him notice.

Was the character called "Mr. M.P." on last night's broadcast on the city of Ottawa in which the mayor of the city of Ottawa took part actually a member of this house? If so, was he advised of the ridicule he was to be subjected to by the other speakers on the panel?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I have no knowledge of the incident but I will take the hon. gentleman's question as notice.

WHEAT

INTERNATIONAL WHEAT AGREEMENT—CANADIAN POLICY

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I wish to direct a question to the Acting Minister of Trade and Commerce (Mr. Chevrier) in connection with the meeting in Washington of the international wheat agreement council and to ask what attitude the Canadian representative is taking regarding the increase of minimum and maximum prices; and whether Canada is joining with the United States in asking for an increase in both minimum and maximum prices?

Hon. Lionel Chevrier (Acting Minister of Trade and Commerce): This is a question which is of some importance and which would, I think, normally require some notice. I would say off-hand that I should think it rather improbable that I or anyone should give an opinion on what is taking place in Washington now during the conference. It seems to me that until the conference is completed I should not, as Acting Minister of Trade and Commerce, make a statement on the position which a representative of the government is taking there.

Mr. Diefenbaker: Mr. Speaker, I presume, on a question of privilege, that I should point out that the representative of Canada, Mr. Sharp, at the opening session of the international wheat council said that he was not there to try to force unreasonable terms—

Some hon. Members: Order, order.

Mr. Diefenbaker: He went on to discuss the attitude that Canada is to take. I suggest that parliament should know, and that is the reason I asked the question, what the general attitude is going to be in reference to this matter before it becomes a decided fact.

Mr. Chevrier: I think I should at least have the opportunity of seeing what is stated in the press release to which my hon. friend has just referred. When I have seen it perhaps I can give the house a statement.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—MINISTERIAL COMMENT ON ROYAL COMMISSION REPORT

On the orders of the day:

Mr. H. R. Argue (Assiniboia): May I direct a question to the Minister of Agriculture (Mr. Gardiner). Can the minister inform the house whether his colleagues in the cabinet agree with his published statement in western Canada that the royal commission report on the South Saskatchewan dam was the silliest blank, blank thing?

Some hon. Members: Oh, oh.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, if I made that statement I was not making it under circumstances where I thought it would be reported in the press. All I have to say with regard to the question itself is that the government has not yet discussed the report and I can say nothing about it.

GRAIN

INTERIM PAYMENT ON 1952 CROP

On the orders of the day:

Mr. W. G. Dinsdale (Brandon): I would like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce (Mr. McIlraith). Can he indicate when prairie farmers may expect interim payments on the 1952 crop?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I would like to take the question as notice, Mr. Speaker.

An hon. Member: Just before the next election.

NATIONAL DEFENCE

"BACKGROUND MATERIAL"—ANSWERS TO QUESTIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. I would ask that certain questions of mine, which were purportedly answered in *Hansard* of January 29, 1953 at pages 1432 and 1433, be looked at again. My questions were eight in number, and my point of privilege relates in particular to the last five questions, Nos. 4, 5, 6, 7 and 8. They ask for very specific information with reference to background material put out by the Department of National Defence. The one answer to these five questions, to say the least, is evasive. My point of privilege is that those questions should be answered in detail.

EGGS

QUESTION AS TO INCREASE IN FLOOR PRICE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Agriculture. Can the minister say whether the floor price for eggs will be increased and enforced, or other action taken, since the farm women on the prairies are now receiving as little as—

Mr. Speaker: Order.

Right Hon. J. G. Gardiner (Minister of Agriculture): I just returned from the west yesterday, and there has been no council meeting since my return. I am not in a position to report on the matter.

WHEAT

CANADIAN CRACKED WHEAT CONTENT IN U.S. FLOUR

On the orders of the day:

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): On Friday last, the hon. member for Melfort (Mr. Wright) asked a question which appears on page 1476 of *Hansard*, and reads as follows:

I should like to ask a question of the parliamentary assistant to the Minister of Trade and

Commerce. Has any protest been made by the government to the United States authorities with regard to the bad effect on Canadian wheat sales caused by recent actions of certain United States importers who are reported as having used Canadian cracked wheat in flour for human consumption in that country?

I should like to point out, of course, that the reference to cracked wheat in these newspaper articles is a wrong reference. The wheat referred to would be wheat that had been down-graded by reason of frost or other damage.

In connection with the sale of low-grade Canadian wheat to the United States, the United States government has certain obligations which are set forth in the general agreement on tariffs and trade. The Canadian government has drawn the attention of the United States government to these obligations, and it has also made clear to the United States government the concern which is felt about this matter.

NATIONAL DEFENCE ACT

PROVISION FOR APPOINTMENT OF ASSOCIATE MINISTER OF NATIONAL DEFENCE

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 103, to amend the National Defence Act.

He said: The government has, as might well have been expected, Mr. Speaker, given careful consideration to the various points raised in the debate on the resolution preceding the introduction of this bill. The Leader of the Opposition (Mr. Drew), and several other hon. members, argued that if an emergency existed that justified the present emergency powers legislation, it was not necessary to have any amendment to the National Defence Act since the power already existed to appoint one or more associate ministers of national defence during an emergency and for six months thereafter.

It seems to me that hon. members who advanced that argument did not take into account the distinction between the international emergency that parliament declared did exist when it enacted the emergency powers legislation and the emergency defined in the National Defence Act and contemplated in the War Measures Act. The Emergency Powers Act states categorically that an international emergency exists which threatens the security of Canada, and that certain emergency powers might, therefore, be required by the government. On the other hand, the National Defence Act, in section 20, defines emergency as the hon. member for Nanaimo (Mr. Pearkes) pointed out during the course of his argument, as war, invasion, riot or insurrection, real or apprehended. One finds the same definition in the War Measures Act, which empowers the governor in council to exercise the powers conferred upon him only when the governor in council has taken the responsibility of declaring, by proclamation, that by reason of the existence of a real or apprehended war, invasion or insurrection, such measures are required.

We do feel that the present conditions are not normal conditions. We do agree with the hon. members that, in fact, war is being waged in Korea. We do agree that if war were not being waged in Korea, a war which might have serious consequences for the free world at large, young Canadians would not be voluntarily offering up their services and risking their lives for something of the character of an ordinary police action. It was because there was a realization by the Canadian people that it was desirable, in the interests of freedom in the world, that a stand be taken in Korea that would make it apparent that aggression was not going to be allowed to pay. This has resulted in very serious, active, and unfortunately destructive warfare, which has cost many lives and the destruction of a great deal of property. I believe it is nevertheless fortunate for the world that the United Nations did have the resolute determination that they were going to demonstrate that aggression did not pay. If that had not been done, no one can be sure what the consequences might have been.

Fortunately, the consequences have not been the kind of war that the hon. gentleman's generation and mine have twice known in our lifetime. The government felt that the emergency contemplated by the War Measures Act, and the emergency contemplated by the National Defence Act, were the kind of emergencies that we had been through from 1914 to 1918 and from 1939 to 1945 and not this twilight period which cannot be said to be peace but is fortunately not world war. I, therefore, felt that if that twilight situation required something to be done now, that would have to be done too under the other kind of emergency, it would be proper to come to parliament and tell parliament what our intentions were and to get parliament to express its views on the propriety of the action being proposed.

Hon. gentlemen will also have noticed that when the Emergency Powers Act was framed it was circumscribed in many ways. We do not complain about that, and I think it was wisely circumscribed. It was provided that nothing in that Emergency Powers Act would apply in this twilight period that would affect the liberty of persons and that

there should be no expenditure of money that was not appropriated by parliament itself. Human nature is such that to provide for an associate minister of national defence there has to be some money provided as well to compensate for the services that the associate minister will be expected to render. It was felt, therefore, that there had to be parliamentary action before any decision of that kind could be implemented, and that as there had to be parliamentary action it would be proper to have that parliamentary action cover both the policy decision and the appropriation necessary to implement the policy.

I would hope, as I am sure the hon. member for Lake Centre (Mr. Diefenbaker) would hope, that there would be as few occasions as possible when the executive would have to dispense with the decision of parliament in any matter of importance, and that hon. gentlemen will not think it was wrong to come to parliament for this action if in fact the decision to be made and to be implemented is the right kind of decision.

Mr. Diefenbaker: Will the Prime Minister allow a question? Since he has mentioned the matter, what is the difference between an emergency under the National Defence Act and an emergency under the transitional powers act as interpreted in the Nolan case? What is the distinction? I cannot quite follow it and I just wonder whether the Prime Minister would elucidate it.

Mr. St. Laurent: I think it is more a distinction in degree than in substance. When there is an emergency sufficiently grave that a government in office feels it will have the support of the Canadian people in taking to itself the broad powers that the War Measures Act comprises, it means there is a grave situation. There are situations of the same nature which can be much less grave. A cold war is a grave situation but it is not as grave a one as are the kind of wars the country had to fight when, on two previous occasions, the government of the day—one a government of my hon. friend's party, the other a government of the party to which I belong—felt that they would have the support of the Canadian people in taking to themselves those wide powers.

I hope that while I have any responsibility there will never arise the kind of situation where I would feel I would have the support of the Canadian public in taking for the government such wide powers. I therefore think the matter of procedure is much less important than are the merits of the proposal itself to provide for an associate minister of national defence. If it is something that could have been done without coming to parliament and would have been a good thing to do, I think it still remains a good thing when we come to parliament and ask parliament to express its views upon it. I think that our diverging opinions should be on the merits of the proposal rather than on the procedure to implement it.

I tried to follow closely the arguments made by all hon. members when the resolution was before the house; and if I understood them correctly, there seems to be no difference of view on the need for having more than one minister to share the responsibilities for national defence under present circumstances. By several hon. members opposite—particularly by the hon. member for Nanaimo (Mr. Pearkes)—it was argued that the government was not proposing the right division of functions between the minister and the proposed associate minister of national defence. The hon. member for Nanaimo further suggested—and in this suggestion he received support from several other hon. members—that it would be preferable to have a separate minister of national defence for air because of the great importance of Canada's air effort during the last war and now in the build-up of strength that is being prepared by NATO forces.

I should like to deal first with that second aspect. A separate minister of national defence for air might be either the minister of an entirely separate department or an associate minister having a special responsibility for the Royal Canadian Air Force. I believe there are strong objections to both those possible courses. The real purpose of the government in placing the national defence department under one minister was to try to bring about unification in the civilian administration of the services and to avoid duplication. We thought it would be better to have one minister with adequate powers to recommend the proper allocation of the funds appropriated by parliament and the manpower available to the department in the most effective way possible between the three services. All hon. members know that the top officials responsible for organization of the national defence of any country always feel—and quite rightly—that they should have everything that would increase the defensive powers of their forces. I think it is their business to look forward, to appraise and to determine what would increase the defensive and the offensive powers of their forces because frequently offence is the best form of defence.

But the theoretical or ideal development of the forces of a country is always circumscribed by the financial and manpower resources of that country. We or the government have to decide what portion of the annual production of the country it is desirable to set aside for defence purposes in any given year. That portion has to be the best kind of balance we can make between the defence requirements and the other requirements of the nation as a whole, and it necessarily varies according to the degree of danger for which the defence forces have to be ready. When a determination has been made as to what proportion of the gross national product of the nation it is proper for the nation to expend as an insurance policy for its safety and continued existence, that is the cloth that can be cut.

It was felt that it would be preferable to have one minister receiving the representations of the various services, co-ordinating them and determining between them what allocation could be made to each service. It would seem to us to be inevitable that if there were three ministers, one for each of these three services, each would naturally feel more keenly the importance of his service than that of the other services, and that there would be a competitive spirit. As honest, unprejudiced and unbiased as it would be possible for the head of one service to be and still be fair to his service, it seemed to us that he would naturally want as large a slice as he could get of the total amount appropriated for defence. It was felt that that competitive spirit had been the cause of duplication that was unnecessary and that it made for additional expense during the last war.

I remember many anxious moments during the discussions of the last war about the proper set-up of the hospital facilities for the services, and finding it difficult for me, a civilian, to appreciate that it was so necessary that there be no common hospital services for the treatment of the men of the three services. After all, they were Canadian men or Canadian women, serving the Canadian cause, and the health of each one was not so very different in character from the health of the other. But those who had military experience felt that it was necessary to retain the identity of these services, and that even in the hospital and medical branches the line of division had to be kept quite clear, distinct and apart.

Well, after the war, rightly or wrongly we decided that there would be a serious attempt to cut out some of the duplication, and not do it under the stress of fighting action going on at the same time, and we placed the department under one minister and one civilian departmental set-up. And we have not yet had reason to backstep, or reason to admit that that was not a good policy.

We, therefore, when approaching this matter of providing additional responsibility and additional service for the Department of National Defence, thought that the best way was to retain the one over-all civilian set-up, with an associate minister rather than a separate minister. Under the bill proposed, this co-ordination of the services will be preserved. Both the minister and the associate minister of national defence will be charged with the apportionment of the available public money, men and military supplies among the three services.

As I said a minute ago, we do realize, and we did realize after the war, that under wartime conditions, which we did not want to interfere with during wartime, when there were almost three separate departments of national defence, under three ministers, there had been quite a good deal of duplication of the civilian services; and we expected that considerable saving of the taxpayers' money could be made by having this unified civilian structure of the armed services, thus assisting in the closer co-ordination of all three.

I am inclined to think that, if we set up an entirely separate department of national defence for air, with a separate minister and separate deputy minister, inevitably there would be developed once again all this amount of duplication and overlapping which it was our policy to eliminate to the extent to which it could be eliminated.

Now, perhaps what the hon. member for Nanaimo (Mr. Pearkes) meant was that we should have an associate minister of national defence who would have special responsibility for the Royal Canadian Air Force and its supporting services. Well, I would admit this, that the argument against that course is not as strong as the argument against an entirely separate department. But I do not think such an arrangement would go any greater distance towards meeting the objection raised by the hon. member that there was not a clear and precise division of functions between the minister and the associate minister.

If there is to be co-ordination—and everyone agrees that there should be—the minister would have to continue to have responsibility for that co-ordination, and therefore for over-all policy in respect of the three services. The associate minister would, therefore, be limited in fact to the oversight and supervision of administration of the air force and

perhaps an indefinite fraction of the existing civilian side of the department which supports the three services.

It seems to me that this would not be a very tidy arrangement, and that it would not be very long before there would have to be an associate deputy minister for air, and that would immediately start a duplication of the civilian side, again, which we have endeavoured to eliminate.

I think that the field of activity of the associate minister would, under such an arrangement, be more restricted than what is contemplated by our proposal, under which proposal the associate minister will, in effect, have ordinary supervision over all the administrative activities which come under the deputy minister, for supply, for procurement, for accounting and auditing, and what might be described in general terms as the housekeeping activities of national defence.

That was what I was trying to indicate when I said on January 22, as reported at page 1240 of *Hansard*:

> The associate minister, in addition to carrying on the work of the minister when the minister is away, will keep more closely in touch with matters of administration relating to the services. If I may repeat it is expected that the associate minister would act for and exercise the powers of the minister when the minister is away and deal with matters of administration relating to the three services, including requisitions for construction, equipment and supplies, submissions on similar matters to the governor in council and to the treasury board, control of the establishment, appointment and supervision of the civil employees and service personnel, approval of expenditures, orders, instructions and plans within the lines of agreed policy.

I doubt if it is possible to define the functions any more precisely and at the same time accomplish what the government really has in mind. We are not trying to divide up the department, or create something like two departments, or trying to create a department and a sub-department. What we are trying to do is to make it possible, as I said last Thursday, for responsibility to be shared between ministers. I believe, as I said then, that what is proposed will be satisfactory only if the minister and the associate minister work closely together in all matters, so that each will be really familiar, not with all the details, but with the general lines of the operation of the whole department, and of all three services.

This is really important, so that when, as so frequently happens, one minister has to be absent from Ottawa, the other will be sufficiently familiar with the whole department to act effectively in the whole field of its operations.

I do not believe that an arrangement like this can work unless there is an exceptional degree of harmony between the minister and the associate minister, and an even greater degree of frankness and understanding than is necessary between two ministers of the government having quite separate departments. That was one reason why there was some hesitation before proposing sharing of the responsibility for this portfolio. As hon. members know, it is intended, if this legislation is approved, that the Solicitor General (Mr. Campney) shall become associate minister.

For some time before he became a member of the government, the Solicitor General had been parliamentary assistant to the Minister of National Defence. Their relationship had proved to be very satisfactory to themselves, to us and to the personnel of the department. As a result of that experience, both the Minister of National Defence (Mr. Claxton) and the Solicitor General were convinced that they could make an arrangement like this one work. I may say to the house that when I first suggested it to the minister he welcomed its acceptance, and indicated to me that for some time he himself had been thinking of suggesting precisely the same arrangement.

What we are proposing is not a new departure. If hon. members will look up the legislation adopted in 1940, which was 4 George VI, chapter 21, they will see that in addition to providing for a minister of national defence for air and a minister of national defence for naval services the legislation provided also that the minister of national defence should have co-ordinating functions in respect of all three services and that there should be an associate minister of national defence who should act for the minister whenever he was absent from Ottawa and who at all times should be entitled to exercise the powers of the minister over the whole range of his responsibility unless the governor in council otherwise directed. The governor in council never otherwise directed.

The only hon. gentleman who ever occupied the post of associate minister of national defence is the present dean of the house. I am sure it is his view that the success of this kind of arrangement—and it was a success—did depend upon a very high degree of mutual confidence, mutual respect and harmony such as existed throughout all those war years between the associate minister and the minister of national defence with whom he was associated.

What is more, I do believe that Canadians generally would agree that Canada was exceptionally well served by that partnership between the late regretted hon. gentleman who was minister of national defence and the associate minister, who fortunately is still with us in this House of Commons. Of course the parallel is not absolutely complete, as hon. gentlemen opposite will no doubt point out. The hon. member for Quebec South (Mr. Power) was also minister of national defence for air and that was his principal responsibility. But he did serve actively as associate minister. He was able to serve successfully in that capacity because he was at all times familiar, and kept himself at all times familiar, with the general trend of departmental activity in connection with the three services.

As hon. gentlemen will remember, there was also, in the person of the present premier of Nova Scotia, a minister of national defence for naval services. The minister of national defence for naval services under the act of 1940 could also exercise all the powers of the minister of national defence in his absence and in the absence of the associate minister of national defence. It did quite often happen that he had to exercise those powers.

During all that period I do not recall a single occasion on which anyone in this house suggested that there was any difficulty about establishing where ministerial responsibility lay for the administration of national defence. When any question arose in this house it seemed to me, and I think by the way it was acquiesced in by all members of the house, that it was appropriate that the one of the three who did get up to answer the question should be dealing with the problem.

It is intended, if this legislation is approved, to vest in the associate minister precisely the same powers the associate minister enjoyed during the war years. The minister of course will have the immediate responsibility for defence policy. As all hon. members know, that is a responsibility which is shared constitutionally by all his colleagues and in a special degree, under our system, by the prime minister. Apart from the general constitutional responsibility, the responsibility for specific acts which require ministerial approval will of course rest with whichever minister gives that approval. In each case that will be a matter of record and the degree of responsibility would be precisely the same if there was no associate minister but merely an acting minister when the minister was absent.

I might say that the course which has been recommended to the house was proposed only after long and careful consideration of all the alternatives. We came to the conclusion that it was a course which it was hoped would achieve a realistic sharing of the heavy responsibilities for our defence services and the degree of ministerial control required for the very large operations which are involved.

I think hon. members will agree that it is appropriate that a fair trial should be made of any modification and will also share our hope that if there is a fair trial made of it it will prove to work as satisfactorily this time as we know it did in fact work through the co-operation, collaboration and mutual respect which the late minister of national defence and his associate minister had for each other during those other years of also very heavy responsibility.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the amendment now before us is of much greater importance than might appear at first glance. What is proposed by this bill is that parliament enact a measure which will add another section to the National Defence Act. This would leave in its present form section 6 which permits the appointment of three additional ministers of national defence and would provide for the appointment of an associate minister of national defence without including in that section any definition of his authority.

The Prime Minister (Mr. St. Laurent), in arguing against the suggestion that there be an associate minister of national defence for air, has contended that this might create confusion and division of authority. Yet, having said that, he has also made the statement that he does not recall a single occasion when any difficulty arose between the ministers who previously occupied the different positions under the measure passed in 1940. If under the stress of a world war it was possible for the ministers to carry out their responsibilities in respect of the different services without any difficulty in determining the boundaries of their authority, then it would seem that the Prime Minister has placed before us a most effective argument as to why there should now be an associate minister of national defence for air. He has assured us that in the experience of this government that could be done without creating any difficulty as to the measure of authority exercised by any single minister.

However, there is one aspect of the opinions placed before us by the Prime Minister which it seems overlooks the situation with which we are actually dealing.

The Prime Minister has said that the appointment of this minister will assist in the administration of the Department of National Defence. What has not been pointed out is that this subject has become one of immense importance to the members of the house because of the demonstrated fact that there has been a breakdown in the administration of the Department of National Defence. To appoint another minister with similar powers, no better defined than those already being exercised by the minister who occupies that office, will not solve the difficulties that have already been demonstrated to the members of the house.

The Prime Minister has said that there is a distinction between the emergency we now face and the emergency contemplated by section 6 of the National Defence Act which would permit the appointment by the government of three additional ministers of national defence. He points out that the National Defence Act defines the emergency which would be the basis for action under that act as war, invasion or insurrection, real or apprehended. The Prime Minister did go on to say that there is a real war in Korea. Consequently there is no question about the fact that in accordance with the words of the Prime Minister today the type of emergency contemplated by this act is in existence. If that is so, then the government could act under the present legislation if it saw fit to do so.

I agree that it would be desirable that such action should not be taken because the kind of emergency undoubtedly does not exist which should deny to us in this house a full opportunity to debate the authority that any minister will have. I submit that the only justification for emergency legislation of any kind is that the emergency is of a nature which requires a more expeditious procedure than would ordinarily be afforded by bringing legislative measures before the house and having them fully debated. I do not think that anyone will contend that there is not ample opportunity to discuss this legislation at this time. The very fact that the bill is brought before us demonstrates that there is time to discuss it. That being the case, I suggest that we should not only have the proposal for an additional minister but we should have the details as to what the authority and responsibility of that minister will be, to be incorporated in the measure before us, thus leaving no doubt as to what his responsibilities are going to be if he is appointed.

The fact that this subject is now before us in this way and that the Prime Minister has supported his presentation of the measure by arguments that it has worked well in the past should not divert from the mind of any hon. member in the house the fact that there is a situation with which we should be dealing and that this is the time to deal with that situation. The Prime Minister has said that we should have co-ordination of all activities related to national defence under a single minister. We should. Whatever is placed before us should make it possible for us to be able to assure ourselves that there is going to be effective co-ordination. That co-ordination has not existed, not only as between the department and the government but within the department itself. No single incident could better demonstrate the need for some effective change at this time in the whole operation of the Department of National Defence than the information which we have been given by the minister himself that not a single one of the 1,200 recommendations made by the auditors dealing with the methods of supervising the affairs of the department had reached the minister. If that is co-ordination, then it is certainly not the kind of co-ordination we want to perpetuate by a measure adopted by this house.

Granted that the minister might not have the time to read every recommendation that is made in detail or to communicate the effect of these recommendations to the department, but, Mr. Speaker, we are confronted with the admission that not one of these extremely important recommendations was read by the minister or communicated by him to the government. If that is the situation which we are going to perpetuate by the measure now before us, then I suggest that members of the house are not accepting their responsibility to the people of Canada and the members of the armed forces at this time. The words that are before us are clear enough. It has been demonstrated beyond question that there has been a breakdown of administration. It is not any single incident of that breakdown with which we are dealing. We are dealing with a breakdown of administration in the Department of National Defence for which the government as a whole is responsible.

Nothing less than new legislation which will deal with that breakdown is adequate to deal with the extremely serious situation before us. The situation will not be solved by appointing another minister to carry on the same unsatisfactory methods. That is exactly what we are being asked to support. The Prime Minister has said that he hopes we will deal with the merits of the proposal before us and not with procedure. The merits

of the proposal before us rest on the adequacy of that proposal and not merely on the appointment of a minister. The merits of what is before us will be determined by the extent to which the measure before us does or does not deal with the breakdown which has been so abundantly demonstrated.

It is also clear from what has been placed before us that many of the difficulties which have been disclosed have been the result of a failure to define the responsibility of different officials within the department. We are asked to appoint a minister without defining his responsibilities. We are simply told that he will have the general responsibility of carrying on the system that already exists. What I should say is that he is to be appointed to carry on the complete lack of system that has been demonstrated. That is what we are really being asked to do. The Prime Minister has said that if there were an associate minister of national defence for air it would lead to a competitive interest on the part of that minister which would create confusion. If that argument is to be accepted, then how is it to be rationalized with the statement of the Prime Minister that he does not recall any case where that competitive spirit caused any difficulty when there was a minister of defence for air, a minister of defence for the navy, and in addition an associate minister with powers similar to those of the minister that the government now seeks to appoint?

The two statements do not go hand in hand. The fact is that, whatever details might be open to debate in regard to the general administration of the defence activities of this country during the war, it will be generally agreed that the Prime Minister was correct in saying that each of these ministers was able to deal with the particular responsibility he had, without any difficulty in defining what the measure of those responsibilities really was. That being so, we simply say: Accept the statement of the Prime Minister—that is the last statement—that there was no difficulty even under all the pressure of war in defining the limits of responsibility. Accept that statement and then appoint an associate minister of defence for air and define his responsibilities under the measure that this house will be called upon to adopt.

Now, we have been told that so complete was the breakdown of supervision that it will never be possible to tell what the losses were. I know that some attempt has been made to tell the members of this house in dollars and cents what the losses were. But we have the statement of one of the outstanding chartered accountants in Canada to the effect that so confused and so ineffective was the system that it will never be possible to tell what was actually lost. What more can be placed before the members of this house to demonstrate the need of some new system than that statement by a man whose word should be accepted by all members of this house in that respect?

I am not arguing that any human being who is called upon to perform a service such as that which was performed in the consideration of certain limited aspects of the administration of the Department of National Defence should be regarded as infallible. Nevertheless, I would point out that whatever argument may be made about the interpretation to be placed on certain words, there has been a finding by an outstanding chartered accountant that the methods of accounting were so utterly ineffective as to make it impossible to say what the losses actually were. That man is a man who is called upon to report on the affairs of great corporations. Thousands of shareholders rely upon his statements. Those who are administrating estates relay on his statements. His statements are accepted as the basis of extremely important transactions in connection with the securities of those corporations. Is it to be, then, that his statements would be accepted with such finality in regard to methods of accounting in the ordinary case and be completely disregarded in a report of this kind, made to the government which appointed him and which stated that he was the best man in Canada for the job? I hope not.

I hope that, even with the willingness there has been to permit some doubt to creep in about the complete accuracy of his statements, at least there will be no attempt to create any impression that his statements in regard to methods of accounting and matters of that kind are challengeable at this time.

We have only seen through one window; and we were only allowed to look into one room. The room was so hopelessly untidy that we should know that the rest of the house must be just as untidy. Our job is to make sure there is a cleaning up of that house. Our job is to make sure that something will be done so that we can see in the other windows. If we cannot have more housecleaning by trained housecleaners then at least let us make sure some system is adopted which will assure housecleaning in the most important section of the whole operation; and the most important section of that operation is the operation of the air services.

We are not just dealing with air services because they are air services. We are not

just dealing with the suggestion that there should be an associate minister of defence for air because that challenges the imagination. We are dealing with it because it has been agreed on both sides of this house that Canada's primary contribution to the defence of our land, and to the common defence of freedom, is in the building up of our air forces. That is also before us in the extent to which allocation of funds is being directed to that department.

In the estimates tabled this week we find that for the year ending March 31, 1954, $332 million is to be spent for the navy, $533 million for the army, and $936 million for air defences. The latter figure is more than half of the total amount to be spent for all our defences. I would point out that this, of course, does not include the supplementary estimates which will add substantially to the figures.

The figures before us show that air defence calls for 52·5 per cent of our total expenditure for defence. The figure for army is 29·1 per cent, and for the navy it is 18·4 per cent.

Therefore, air defences are of primary importance both from the point of view of their recognized importance as part of our combined defence activities and also from the point of view of the amount of money to be spent on them. That is the reason why we strongly urge the government to consider, even at this stage, its declared decision not to appoint a minister with definite authority to deal with air defence but rather simply to appoint a minister with general and undefined authority under the Minister of National Defence.

Now, Mr. Speaker, if there is one thing that we should bear in mind at the time we deal with this subject on this occasion it is that we are not just dealing with an ordinary legislative measure. We are dealing with the defence of our country. We are dealing with the enlistment, training, equipment, supply and direction of those young men and women in uniform who take the highest responsibility for the defence of Canada. Anything that has come to our attention which should be dealt with in regard to this subject should be dealt with on this occasion. We should not disregard these important matters when we are asked to amend the National Defence Act.

Instead of anything positive now before us we simply have a repetition of statements such as have been made on earlier occasions. As we deal with this subject at this time we must remember that instead of some positive declaration that radical changes are going to take place we simply have the assurance that we are going to continue the same methods we have used in the past. I cannot help but recall statements made in the House of Commons of Great Britain on May 25, 1938. They show how similar these problems are from time to time. They show how necessary it is for the mere civilian, elected as a member of parliament in this house, to deal with the problems of national defence and not leave them to the officers in charge, no matter how competent they may be. I would recall these statements by the present Prime Minister in Britain in the debate on the possibility of strengthening Britain's air defences at that time. He said then that in the House of Commons over there they had been reassured time and time again that everything was being done that should be done for the defence of Britain in the face of the German threat. He said that any suggestion of this kind is met with this sort of reply, and I quote:

> That is being considered. We have given our attention to this. We are fully alive to that. The other matter is engaging our interested attention. We are exploring that.

I simply read those words to remind the members of this house that if there is one subject which, over and over again, has called for the attention of civilians in parliament it is the reorganization of the Department of National Defence and the abandonment of the old methods which have been carried over from the war before, whatever that war might be.

Every hon. member in this house will recall the statement that war is too serious a business to be left to staff officers. Now, that statement is not a reflection on staff officers. It is simply a statement of something that everyone knows who has had any dealing with this subject. The most efficient officers in war naturally regard the methods under which they were able to work satisfactorily as very useful and desirable methods. Naturally, those officers are inclined to perpetuate those methods and carry forward the same system. The more efficient they have been, the more certain they are that these methods are quite satisfactory.

There is not one occasion when reform in the system of administering our Department of National Defence, either in this country or in Great Britain, has come from staff officers. On every occasion it has come from consideration of the problem by parliament, with the advice of those who examined the matter from an objective and independent point of view. We even had the

situation after the Napoleonic wars when Wellington himself was prime minister of Great Britain, yet he was not able to bring about those reforms which would give Britain an efficient army. Years later, when the Crimean war came, Britain still did not have an efficient army. It was not as a result of the recommendations of any staff officers following that war that reforms were brought about. In fact, they were not brought about, and many of the unsatisfactory conditions continued until a royal commission was appointed to inquire into the whole administration of the Ministry of Defence in Great Britain.

The Prime Minister, the members of the government, and most members in this house will recall the famous Esher commission which was the basis of a reorganization of the British army, and became the basis of our own reorganization of our defence forces in this country. The same thing happened after the great war. The reorganization which was obviously necessary was not brought about as a result of recommendations from members of the general staff. It was civilian organizations which pressed for reforms and were able to bring them into force. The reason for this has nothing to do with any intractability of mind on the part of the professional soldier. The professional soldier is answerable to the government. The professional soldier must take his direction from the government; he must carry out policies established by the government. It is not for him to tell the government what it will do; it is for the government to say what the staff officers will do and what the armed forces under those staff officers will do. That has been the policy of the supervision of our defence forces ever since we have had defence forces. The time has now come, therefore, when we should be considering this problem as civilian members of this parliament, and in the light of information which has come to us.

If there is one thing to which we should not agree, it is allowing habits of the past to stand in the way of reorganization which will be sound and effective in the light of the experience we have had in this house. In addition to the evidence of the breakdown in administration of the department, we also have before us the statement of the Auditor General that in spite of recommendations that something be done there are still eight different methods of accounting in that department. Those are the kind of things that should be tackled at this time. They are the kind of things we should be assured will be dealt with by any steps we now take. Instead of indicating to us how these problems are going to be solved, how this great expenditure of money is going to be managed in a way that will assure a higher measure of efficiency, we are asked to support a measure that simply says we will have another minister who will have the same duties as the minister already appointed.

Mr. Ferguson: There will be two of them, so it will be twice as bad.

Mr. St. Laurent: How wise.

Mr. Drew: What the government is asking us to do is to pass a bill which permits the appointment of an associate minister and then say, in effect, to the members of parliament: You trust us to use our judgment as to how this can best be done. I submit that this government should be prepared to accept the fact that the evidence before us demonstrates that it has not justified that responsibility. What is before us demonstrates the need for a measure containing the power not only to appoint a minister but to define in the most exact terms what his responsibility will be. We suggest that the responsibility should be defined, in any event, whether it is to be an associate minister of national defence for air or simply to provide the authority to appoint an associate minister.

There is, moreover, the fact that the Prime Minister has emphasized to us that it is not desirable that undefined powers should be granted. I do not profess to quote his exact words, but I am sure that this was the effect of what he said. I would hope that there would be as few occasions as possible when the executive would dispense with the authority of parliament in any matter of major importance. There are some of us who do regard the definition of the authority of this new minister as a matter of importance. That being so, I urge the Prime Minister to follow the very line that he has put before us, and to agree that it is not wise to dispense with the authority of parliament in a matter of such importance. We say there should be another minister. We say also that there should be another minister with definite powers. We say there should be an associate minister of defence for air. If the government is not prepared to go that far, the minister they appoint should have clear and definite responsibilities. Parliament has a responsibility for what is done on this occasion. I hope every member of parliament will keep in mind the facts that have been placed before us, the facts that are contained in the Currie report, and the facts that are contained in the report of the Auditor General, and the knowledge that we have

obtained from the minister himself that the present system is such that he did not even see any of the large number of reports that came forward recommending a better system of accounting in the particular part of the army that was under consideration at that time.

It is difficult to follow the Prime Minister's argument that it would create a lack of co-ordination if there were appointed an associate minister of defence for air when he told us that no problem arose in that connection previously. I would certainly be among the first to argue that we should not follow any other legislative body in the course they adopt simply because of the size or the importance of that body. Nevertheless I think we may well bear in mind the fact that the head of the government of the United States today is not only a man of demonstrated administrative ability but is one of the outstanding soldiers of our generation.

In his speech to congress just over two hours ago that man emphasized the importance of the allocation of responsibilities to associate officials for air, navy and other defence activities. This man who not only led the combined forces of the western world in Europe in the days of victory but also did so much to co-ordinate the defence forces of western Europe within the past few years believes it is wise to place the administration of air defence under an official who will be fully responsible for that matter to the minister of national defence. I submit that in this case it constitutes a strong argument.

However, we do not need to go to Washington for an argument. I think most of us will agree that Winston Churchill has demonstrated a fairly satisfactory knowledge of the administration of defence forces. He did so during the war. I should think that experience is useful today. He believes it is wise to have a separate minister responsible for air defence; and that man, with experience which contributed so greatly to the freedom that we possess today, has continued the administration of air defence under a separate minister of defence for air. Whether under our own system as in the United Kingdom or under the different system of the United States, at least it can be said that the two major powers in the western community of nations have decided that it is most efficient to have a minister of defence for air.

With this evidence before us; with the evidence of the need for a clear definition of responsibility; and with the clear evidence of the need to relieve the present minister of a substantial measure of responsibility if the confusion in and ineffectiveness of that department are to be overcome, I submit that we should be dealing with an act which will appoint not only a minister but one with defined authority.

On second reading I do not believe it would be necessary for us to attempt to define that authority; it will be possible for us to do so when this measure goes into committee. However, on second reading it is possible to ask for a reconsideration of this measure and, in the light of what has been said, in the light of the statements of the Prime Minister himself, who has told us that no difficulty arose, even under the pressure of war, in defining the limits of responsibility of associate ministers and separate ministers appointed in this way, to ask the government to reconsider and bring before us a bill that will provide for the appointment of a minister of defence for air with clearly defined authority approved by this parliament.

Therefore, Mr. Speaker, I move, seconded by the hon. member for Nanaimo (Mr. Pearkes):

> That the said bill be not now read the second time but that it be resolved that in the opinion of this house consideration should be given to the introducing of legislation to amend the National Defence Act which will provide for one or more associate ministers with duties defined by statute.

Mr. P. E. Wright (Melfort): Mr. Speaker, there are two or three things on which I think both the government and the members of the opposition are agreed. I would say that the first is that there is need for a reorganization of the Department of National Defence. It is quite evident that the government agree in view of the fact that they bring in this amendment. They agree that there has been lack of proper supervision—not altogether because of the Minister of National Defence but because of the multiple duties which have been placed on him during the last few years—and that some assistance is necessary.

In the second place, there is need for more detailed examination by the civil authorities of the expenditures which take place in the Department of National Defence. That fact is perfectly evident from the Currie report and from letters which almost every member of parliament gets from day to day with regard to the detailed operations of the Department of National Defence. The point on which we seem to disagree is how this assistance shall be given to the department and how we can get a more efficient administration of the department to supervise these tremendous expenditures which the Department of National Defence is making today.

I think that the Prime Minister probably gave the best arguments that could be given to the house for a minister or an associate minister with defined responsibilities. He stated that during the war we had two associate ministers of national defence and that they found no difficulty in administering their departments through a minister in that department. The reason they found so few difficulties was simply that they had clearly-defined responsibilities. The minister for air had the responsibility for air, the minister for the navy had responsibility for the navy, and so on. They had clearly defined responsibilities and they were therefore able to carry on in an efficient and effective way.

In any large business today, those in authority must have clearly-defined responsibility if the business is to be a success. How we can expect to operate the Department of National Defence—which is the largest spending department of the government—with an associate minister without any clearly-defined responsibilities is beyond my comprehension. It does not make common business sense.

In any large business where you are spending hundreds of millions of dollars someone must be responsible for that spending. Here we have an associate minister being appointed without any defined responsibility. To me that does not make sense, and I do not think it will make sense to many people across the country.

The Prime Minister (Mr. St. Laurent) said that if he appointed an associate minister for air, this inevitably would mean that we would have to appoint an associate deputy minister for air. Well, why not?

Just what will be the position of the deputy minister of national defence when he has two bosses. He has a difficult enough time now with one boss. He has not been able to report to that boss all the things that are happening in the department. I do not see how it will help to appoint another associate minister to whom the deputy would have to report, unless he is given some assistance as well. The deputy minister of national defence has terrific responsibilities, almost equalling those of the minister. By appointing an associate minister, and failing to appoint a deputy under him, I just cannot see how it will solve the difficulty with which we are faced.

I agree that any minister of the crown should have clearly defined responsibilities. I know of no occasion in the Canadian parliament when we have appointed ministers and have not clearly defined their responsibilities. When during the war we appointed associate ministers of national defence they were made responsible for particular departments. The minister for air was responsible for air; the minister for the navy was responsible for the navy, and the then minister of national defence was responsible for the army. Naturally the senior associate minister became responsible for the whole department, in the absence of the minister when he had to go abroad or to be absent from parliament on other business.

That seems a natural division. It is a workable division of responsibility. But if we have an associate minister with no defined responsibility, and no deputy minister under him, it seems to me we are just going to add to the confusion we already have in the Department of National Defence, as evidenced by the Currie report and the report of the Auditor General.

Surely the government is anxious to see that that situation is cleared up. I think the most effective way of doing it would be to appoint an associate minister for air, with defined responsibility, and a deputy minister under him who could carry out the supervision of the tremendous air expenditures we are making today. Not only are we making these expenditures on behalf of the Canadian people, but we are bringing to Canada young airmen from other NATO countries, training them here, and supplying them with some of the equipment they will have to use when they go back to their own countries, and operate in connection with the common defence problem with which the world is faced today. Surely that problem is important enough that we in Canada should have an associate minister for air, with defined responsibility, and a deputy minister under him who could carry out his orders, and thus have the proper supervision we should have in the department.

I am not going to labour the matter; but I do think if the government were wise, if it were anxious to have the best possible administration, this can be done only when we have an associate minister with clearly defined responsibilities. No business organization in Canada could operate successfully under two bosses, one of whom had no clearly defined responsibilities.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to say just a word about this bill. I listened to what the Prime Minister (Mr. St. Laurent) had to say this afternoon, and it seemed to me he found it pretty difficult to justify the proposal he put forward. I wondered at the time if the provisions in the bill were what had been recommended to him by the Minister of National Defence (Mr. Claxton). That may account for the difficulty he had in justifying

his position. It seemed to me at one stage particularly that the Prime Minister was arguing against himself.

If we pass this bill and proceed to appoint an associate minister of national defence, with no definite powers and responsibilities, then in case something arises again as has already arisen in the army works services, we would never be able to pin anyone down. We would have put these ministers in a position where they could blame each other. And if that occurs, then what chance have we to pin them down and place responsibility where it should be placed?

If we proceeded to do what has already been suggested, that is appoint an associate minister for air and define his powers carefully in the legislation, then we would have something specific and could hold someone responsible if things went wrong.

I have not been able to understand the amendment very well. The one that was handed to me makes reference to estimates for the year ending March 31, 1954, and then it proceeds to outline what the army, navy and air force is supposed to get by way of appropriations. I take it for granted this is not what was supposed to be amended. Under the circumstances I have to rely upon my memory. But I think it is reasonable to suggest that the government should withdraw the bill as it is now, and bring back a bill which would provide for the appointment of an associate minister for air. That is what we favour.

Speaking when the resolution was before the house, our spokesman suggested that we should accept the proposal of the hon. member for Nanaimo (Mr. Pearkes) that there be such a minister with defined powers. I join the Leader of the Opposition (Mr. Drew) in making that suggestion today.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, when this measure was being discussed in the resolution stage I think there was general agreement on all sides of the house that the time had arrived, if indeed it was not actually overdue, when the Minister of National Defence (Mr. Claxton) should be given some additional help in the execution of his many and great responsibilities.

I am not going to enter into a discussion as to whether this procedure, as indicated in the bill, is actually necessary or not. It was stated clearly earlier this afternoon that a state of urgency does actually exist. However, in seconding the amendment offered by the leader of this party I do wish to review the request I made during the debate at the resolution stage that there should be a clearer definition of the duties of the associate minister.

Speaking at the resolution stage the Prime Minister (Mr. St. Laurent) indicated that the associate minister would be responsible for the administrative details relative to the three services. He gave, as he did this afternoon, some details as to what those administrative duties would be. They would be rather vague responsibilities connected with the general administration of the three services.

I suggest that the duties of the associate minister as we have them at present will be those of a super-parliamentary assistant. He has already been occupying the position of a parliamentary assistant, and to a certain extent will be carrying out those general administrative supervisions. That is not really what is required. Even though you give a man a different title you cannot expect him to give greater assistance than he has been able to give in the past unless you him some additional and clearly defined responsibility.

As an alternative to the vague duties that he is to perform in regard to the administration of the three services, I suggested during the resolution stage that there should be appointed an associate minister for air. I do not mind whether you refer to him as the minister for air or the associate minister for air, because there is no appreciable difference to my way of thinking. The associate minister for air or the minister for air must be associated with the Minister of National Defence, whose responsibility quite obviously would be to co-ordinate the activities of the minister or associate minister for air.

When speaking on January 22 the Prime Minister (Mr. St. Laurent) offered as a reason why it might be difficult for a separate minister for air or an associate minister for air to carry out his duties apart from those of the Minister of National Defence that it was necessary for arrangements to be made for the establishment of airfields and barracks in France for the R.C.A.F., and that the arrangements so made would have a bearing on the discussions going on in Germany and Belgium in connection with our army units now stationed in those countries. He then went on to say that those arrangements would have to be negotiated by one minister.

Of course they would have to be negotiated by one minister. The Prime Minister also pointed out on January 22 that the Minister of National Defence would have to attend to matters having to do with defence relationships with the United Nations and the North Atlantic Treaty Organization. The Minister of National Defence would be performing the very same duties he has had

to perform heretofore, but he would have more time to devote to those international defence relationships, be they with the United Kingdom or with NATO. He would co-ordinate the activities of the three defence services. He would have to co-ordinate the negotiations for these airfields and barracks, be they required for the army or the navy.

I cannot see any difficulty about that. That is what he is going to do in any case. After all, these matters have been discussed at length at the various conferences which the Minister of National Defence has been attending recently and they are all summed up in a rather difficult word, "infrastructure". It is the infrastructure of NATO in Europe which takes care of these housekeeping details for the troops of the various nations, including Canada, which are at present serving in Europe for the defence of western ideals. Therefore I see nothing out of the way as far as that suggestion is concerned.

The Minister of National Defence would co-ordinate the activities of the minister or associate minister for air. Since we made those recommendations on January 22 I think the attention of this nation has been directed toward the importance of the air services in a most pronounced way. The services of the chief of the air staff, Air Marshal W. A. Curtis, terminated at the end of last week. In an impressive ceremony in his farewell to the force which he had done so much to build up he called attention to the pre-eminent position of the R.C.A.F. in the general defence structure of this nation. He went so far as to say that the Canadian people and even parliament did not realize the revolution which had been taking place in this country's military structure.

I wonder whether the government has realized the tremendous changes which have been taking place over the past few years in so far as the relationship of the air services to the other forces of this country are concerned. I cannot help recalling that in 1949 I made the statement in this house that for every dollar spent on the army three dollars should be spent on the air force. I was told that I had gone too far, that the suggestion I had made was quite impracticable.

I based my recommendation at that time on the fact that in 1947-48 the amount spent on the air force was $55 million out of a total defence expenditure of $195 million, and that in 1948-49, $90 million was being allocated to the air force out of a total of $268 million. I appealed to the minister to face with immediate determination the problem which was before him and if necessary to act ruthlessly in the reorganization of the forces, only to be met, as I have said already, with the statement that my suggestion was impracticable. I was told that if my suggestion were brought into effect a sum of $600 million would have to be allocated for the air force alone.

Today we have gone far beyond that amount. Today the sum of approximately $1 billion is being allocated to the air force. If the amount I suggested, $600 million, had been allocated at that time it would have meant, according to the minister, an expenditure of $3 on the air force for every $1 spent on the army. Well, we have exceeded that. I wonder whether we have really realized the extent of the evolution that has been taking place. The retiring air marshal uses these words, as found in a report of his speech in the Montreal *Gazette:*

> The fact we have sent large expeditionary forces overseas in two wars to fight on the ground has left its mark on Canadian thinking. It has tended to obscure the fact that both our human and industrial resources, or small but skilled population and our complex industry, fit us for concentration on air power. It has also obscured the fact that we are already tending in that direction to a marked degree. Other countries have the manpower for massed ground warfare. We haven't. But we do have the technical skills, the high level of education and the industrial establishment to support a relatively large air force because its manpower demands are much less and are of the type we can meet admirably.

He went on to say:

> This by no means indicates a lessening of our contribution to joint defence.

Then he gives as an example the fact that in the near future we will have some 7,000 airmen in Europe and that that will be approximately the same number as there are in the army units in Europe. Then he made this very pertinent statement:

> The airmen will have at their command roughly ten times the striking power of the soldiers.

I think that is an indication of the important role which the Royal Canadian Air Force is now playing not only in the defence of Canada but in the carrying out of the obligations that Canada has assumed in other parts of the world. If more than half of this year's total defence estimates are to be spent on air services, surely it indicates that the spending of that large amount of money on that most important service requires a minister who can concentrate upon the development and construction of the new types of aircraft which the retiring air marshal indicated have already been started in this country, even though they have not yet got beyond the planning stage.

As he pointed out, we must have a new type of fighter ready and available by 1960 at which time he indicated that the CF-100, which is not yet fully in service, would be

obsolete. Therefore I feel that with all these important developments that are taking place in this field we must be quite certain that we are developing our air services and air equipment along the right lines. There is the vast field of guided missiles, be they ground to air or air to air, which must be explored and developed.

I believe the air services constitute a tremendous field which will require the full attention of a cabinet minister who will devote practically all his time to looking after the interests of that service. I do not care whether that minister is called a minister or an associate minister. That is immaterial; but let us avoid this duplication, the continuance of this confusion that has existed in the past few years and which will continue if we merely appoint an associate minister who will carry on general duties of administration in such an ill-defined manner as has been described today.

It has been suggested that a minister is required to recommend the allocation of funds and of manpower among the three services, and that if there were three separate ministers there would be competition between them for whatever funds were available. We have seen that competition in past years. Certainly we saw it in pre-war days when there were three chiefs of staff, each of them competing for such funds as were available. But I am not suggesting that. No suggestion has ever been made that there should be three separate ministers all of equal rank. We have emphasized the importance—and I repeat it—of there being a co-ordinating authority, a minister who is responsible for co-ordinating the activities of the three services, for co-ordinating the purchases of airfields in Europe or the allocation of funds among the various services in Canada. That would be a general supervisory minister, who would be responsible for the supervision of the services.

I believe that situation exists in the United Kingdom at the present time. It certainly has in the past. There is a minister of defence, but under that minister there can be other ministers definitely responsible for certain particular duties in connection with the services. I am suggesting that there should be someone with definite responsibility for developing our air services which today are pre-eminent and are taking up more than 50 per cent of the funds allocated for defence. It is not fair to suggest that senior staff officers of the various services would be able to make their representations in such a way that they could be properly weighed by the government.

It has already been pointed out that the senior staff officers of the various services are the servants of the government. They must carry out the policy of the government. In the past, as I said earlier, there has been competition between the three services. Today I think there are three chiefs of staff and I presume there is a certain amount of competition between them; but a chairman of the chiefs of staff committee has been appointed and I presume that it is partly his duty to co-ordinate requests which are made by the different chiefs of staff.

So in seconding this motion I do stress the desirability of giving and placing on the statute books clearly defined instructions to this associate minister of national defence whom we all agree is necessary in order to assist the present minister in the fulfilment of his duties.

Mr. J. A. MacLean (Queens): Mr. Speaker, there are a few observations I would like to make with regard to the subject which is now before the house for discussion. Over the last few years defence spending has increased to such an extent that the Department of National Defence is spending nearly half of the national budget. There is increasing evidence to indicate that concurrently with this great increase in spending and great increase in responsibility the ministry of defence is becoming so large and unwieldy as to be unmanageable.

I think the problem is generally recognized, and it is also recognized that the responsibilities are too great to rest on the shoulders of only one minister. I think it is obviously unreasonable to have one minister in the government spending almost as much as all other ministers put together. Therefore it seems obvious that something in the way of appointing another minister to share this great load of responsibility is a necessary step, and one that we have to face.

Before plunging off in any particular direction on the problem and how it should be solved or met, it might be well to look briefly at what has been done in other countries; because they too have met these very problems. We find in the United Kingdom that for many years they have had three ministers responsible for the three services. This is also the case in the commonwealth of Australia. There at the present time there is a defence minister responsible for the co-ordination of defence generally, and they also have a minister for the army and another minister responsible for the air force and the navy.

In the United Kingdom, as I have already said, there are three ministers who are responsible for the services. There it has been recognized that by dividing responsibility between various ministers you may lose a

certain amount of co-ordination. That is a problem that must be faced, and I think we all recognize that problem. In the United Kingdom an attempt has been made to solve it by appointing a minister of defence who is responsible for the co-ordination of defence generally. This procedure takes from the Prime Minister in a general way the load of responsibility for defence.

I would like to quote briefly from a white paper published by the United Kingdom government in 1946 with regard to the central organization for defence on the occasion when it was considered necessary to appoint a defence minister. It says:

> Outline of new organization proposed
>
> After reviewing the development of our defence organization over the last forty years and its practical performance under the test of two major wars, His Majesty's government are satisfied that there are no grounds for any drastic recasting of the main structure of the organization as it exists today. Some changes are, however, required in order to consolidate the advances which have been made in recent years under the compulsion of war or of the threat of war. Above all, experience during these years has shown the need of a minister who has both the time and the authority to formulate and apply a unified defence policy for the three services; and it is proposed that this need should be met by the creation of a minister of defence.

That is the position in the United Kingdom. They have a minister of defence responsible for defence and for the co-ordination of the various defence departments; but in addition they have ministers directly responsible to parliament who have clearly defined fields of responsibility, and their fields of responsibility coincide with the various services in the United Kingdom. The paper goes on to say:

> The service ministers will continue to be responsible to parliament for the administration of their services in accordance with the general policy approved by the cabinet and within the resources allotted to them.

That is what I would consider a reasonable solution to the problem and it would seem to me that here in Canada we should go very carefully before we start branching off on some new and unproven idea. I think we should try to retain the principle where each minister has clearly defined responsibilities. In Australia, as I have said, that is accomplished by having a defence minister and separate ministers, one responsible for the army, and one for the air force and navy. Of course, it does not necessarily follow that we should completely follow either one of those systems, but I think we can learn a good deal from them.

If we look at the expenditures of the Department of National Defence we find that more than one-fifth of our total budget is now spent by the air force, and almost one-half of our budget is spent by the Department of National Defence. It would seem, on that basis, to be reasonable to have a minister responsible for the co-ordination of defence generally and also responsible for the army and navy, with another minister responsible for the air force who might be called the associate minister of defence for air, or something of that sort.

The Prime Minister in his remarks pointed out that if such a system were introduced you would have the problem of requiring to create some new positions such as another deputy minister. He pointed out that this would necessitate further expenditures, and that economy is a very important thing. I agree with the Prime Minister and I think his sentiments along that line are most commendable, but I think that at the same time we might easily fall into the danger of being penny wise and pound foolish. After all, why should one deputy minister be considered capable of supervising and carefully vetting expenditures representing half our national budget when it takes perhaps twenty other deputy ministers to look after the remainder.

I think this is a case where perhaps money could be saved by the appointment of another deputy minister. In any case I think it should be very important to have a clear line drawn between the responsibilities of the minister of defence and those of the associate minister of defence or whatever you may wish to call him. The important thing is that each one should have a watertight compartment of responsibility so far as parliament is concerned.

Although I do not think it is vitally important that the responsibility should be divided in precisely that way, I think there is a good argument for it. In addition to our air force spending about one-fifth of our national budget, the Department of National Defence, if its existence is justified at all, exists to deal with any war or threat of war which may come our way in the future. If there is a real threat of war or if there is another war, the defence of this country will be, for the most part, air defence. Any other activities in which we might engage with our armed forces will be more or less military mutual aid. So far as the defence of this continent is concerned it will be primarily a case of air defence. So far as the actual defence of Canada is concerned, that responsibility will rest to a great degree upon the air force. I believe that is another reason why the appointment of an associate minister

responsible for the air defence of our country, as well as other activities of the Department of National Defence, is reasonable.

I believe that at this time the government proposes we should create the position of associate minister of defence without defining precisely what his responsibilities are going to be. In other words, we are going to have one Department of National Defence and two ministers. We will have one body with two heads. Before we create a monstrosity of that sort we should give the matter careful consideration. After all, you are going to have one servant and two masters, a department of defence and two ministers. I believe it is generally recognized that it is impossible to serve two masters. You are going to create a sort of two-headed hydra. I think we should be very careful before we put such a monster on the payroll.

Mr. W. G. Dinsdale (Brandon): It seems to be the general opinion that the proposal before the house this afternoon is long overdue. All hon. members who have taken part in the debate thus far agree with the general principle that some further administrative assistance is necessary in the Department of National Defence.

There is no need for me to labour what has already been said during the discussion this afternoon, and the other discussions that have taken place here in recent weeks. In rising to take part in this debate I should like to emphasize a point that has been raised by the amendment put forward by the Leader of the Opposition (Mr. Drew), to the effect that the solution of the difficulty is not in establishing a vague assistanceship but rather that the duties of the assistant minister be clearly defined under the heading of associate minister for air.

We realize that the responsibility of the Department of National Defence has been accentuated by the Korean crisis, and the position is extremely difficult mainly because we are in a twilight war period which makes it hard indeed to stir up the response of the public to the demands and responsibilities that are created by such a situation. We acknowledge and recognize that the problem of administering matters pertaining to the army and the navy are extremely difficult. However, I feel it is obvious that Canada has a peculiar natural situation so far as air force matters are concerned, and that the present situation confronting the western powers necessitates that Canada carry forward with the greatest possible speed and efficiency the program of air defence upon which she has embarked. During world war II it became firmly established in the minds of military authorities that air power was absolutely indispensable to the successful conclusion of any military campaign. In fact some authorities, I recall, went out on the limb a considerable distance by recommending that the only way to achieve victory in modern warfare was through air power. We had such presentations appearing under such titles as "Victory through air power". Whether or not that be true, I am not going to discuss this afternoon.

We do know that, because of the geographic position in which Canada finds herself, because of the nature of the country, it is essential that she make a major effort toward solving the very difficult problems confronting her at the present time in regard to the build-up of air power. It has been pointed out that today almost $1 billion is being expended in air force expansion, and that represents almost one-half our total expenditure for defence. In that factor alone we have emphasized the necessity for giving special attention to the appointment of some individual who would be particularly responsible for the administration of the expenditure of this huge sum of money.

In addition to the peculiar situation of Canada, as is recognized in the amount of money that is being granted for air force matters, we have the record that was established by the R.C.A.F. during world war II. This record speaks for itself, but I believe that the success that was achieved by our air force was second to none, commencing almost from scratch in 1939. That achievement was largely due to the fact that there was one minister who had the burden of carrying through the very extensive and difficult program of expansion.

There is another matter related to the problem of air defence. Actually I suppose it comes under the heading of defence production. In connection with the tremendous build-up that is facing our Canadian air force, there has been some discussion in the house concerning the lack of success in the industrial part of the program. For example, there have been discussions concerning the progress made in the production of Canada's CF-100, the much heralded all-weather fighter which is now, according to reports, in the production stage. I feel that some of the discussion has arisen from lack of information, or it might be from undue optimism expressed in the reports we have had in the chamber. Some of this discussion has been unfortunate, because if we had actually realized the problems connected with the development of an original aircraft type from the drawing board stage to actual production, some of the criticism would not

have been brought forward in the house. The same thing applies, of course, to the Orenda engine.

I was thumbing through the pages of the magazine *Aircraft* for March, 1952, and the writer makes much the same point as I have just made. In reference to the CF-100 he says that admittedly the production of the CF-100 is behind schedule at A. V. Roe (Canada) Limited . . . there is much to indicate that in the eagerness to promise that the R.C.A.F. would build up strength in a remarkably short time, the government was prone to an overly-optimistic view of how soon the CF-100 could be made available.

Optimistic prognostications of that kind have led to unnecessary criticism. With a responsible minister in charge of air force matters—and the need is becoming increasingly obvious—who was able to find the time to keep closely in touch with the production aspects of the building up of our air force, statements of that kind could be avoided; because overly-optimistic statements tend to arise from a lack of detailed information on the inevitable problems that must be faced when we are in the process of establishing our own aircraft industry. As another example—and others could be mentioned—we have the experience with the jet liner on which some $6 million was expended in the production of an original prototype of Canadian manufacture. Then suddenly the project was dropped in the interests of more pressing demands for aircraft of military type. If there had been proper co-ordination and planning, and if there had been one minister responsible for the handling of the complex matters pertaining to the air force, no doubt this expenditure could have been avoided.

It is most interesting to note that recently Canada has placed an order for two of the British Comets as soon as they become available. Whether this action is the result of careful forethought as to what use these Comet air liners might be put to in the air force, or whether again it is a case of jumping off into the dark and hoping they might be useful, still remains to be seen. We have not heard any discussion on that point.

So far as the air force is concerned, the crux of the matter is that we are in what you might call almost a revolutionary period in air power development. During world war II Canada established an enviable record. As I have indicated, she developed a tremendously effective and powerful air force in a relatively short space of time. But looking back now on the experience of world war II and the types of aircraft then used, we find that even the best types have today become completely obsolescent. We find ourselves in a major period of change, a transitional period, that is demanding not only the development of new aircraft types but also new techniques in the handling of the new aircraft, and an entirely new approach to the problem of air offensive and air defence.

With the tremendous multiple tasks involved in proceeding successfully without a repetition of some of the costly errors into which we have fallen, it seems to me it is essential that as we move to tighten up defence department administration we should give special attention to the air force department by the appointment of an associate minister who will have complete responsibility for the successful carrying out of the transitional period developments.

I could have mentioned another example of misunderstanding caused by lack of information. For a long time in this house we were pursuing the question of the use of ·5 calibre armament that was almost obsolescent in world war II. Of course the difficulty there was that it was merely stopgap armament, and that we were moving forward into guided missiles and other armament developments which are still on the highly secret list. This being so I repeat that there is an urgent necessity that some specialized attention be given to air force matters if we, as a Canadian air force, are going to maintain the record that we established in world war II and if we are going to play the role that is demanded of this country as we participate in NATO defence and in the defence of western Christian civilization generally.

There is one more point I should like to raise while I have the opportunity to do so. In addition to the need to have highly competent guidance in this transitional period, I think there are many indications that point to the necessity for a more judicious and economical use of manpower. As we have been endeavouring to build up the air force potential again—I think we had declined in total numerical strength to something like 14,000 in 1947, and since that time we have come back to almost 50,000—the emphasis in recruiting has been to establish a core of qualified personnel to carry on the necessary training operations. As I have endeavoured to get information on this matter of recruiting, it has seemed to me that it has been a difficult and painful process to get candidates of the right kind to link up with our air force. We have resorted to the use of "retreads" as they are popularly known, or men with world war II experience retrained and brought back into the service in order to meet the immediate demands of the extended activity. Not only in the active force but in connection with the reserves we find a good deal of uncertainty in this regard. It seems no one has

sat down and considered how reserve skills and experience could be used most expeditiously and efficiently.

I happen to be associated with an air force association. This is a voluntary group of air force veterans banded together to assist the air force in every way possible in maintaining its high standards and also in meeting the challenge of the present emergency period. The association to which I belong in the city of Brandon happens to be recognized as the banner association because of the excellent work it has done in the last year. However, constantly we feel frustrated because we have a feeling that we are not tying directly into the demands of the present emergency situation. The numerical strength of the wing is high, but there is no concrete program, other than that of assisting in recruiting. They had thought they might assist as an air observation corps, but there is going to be no need for that particular activity in our area.

Along with a failure to make expeditious and efficient use of reserve skills and experience, we find that some of our air force associations are not up to date in meeting the demands of air force expansion. It seems to me that with a minister responsible for air, more detailed attention could be given to the peculiar problems of recruiting in this country. Where we have a voluntary system, specialized attention must be given to putting the idea across to potential candidates so they will know that the air force requires their services. Instead of inducing volunteers to enter our services by promising them personal security with pensions and the like, we should put it across to them as a direct challenge to assist in the preservation of our way of life.

Actually if the emergency situation is as severe as we think it is, and if the comments we hear respecting the discussions that took place at NATO in the early part of January are true—and it will be recalled that our Minister of National Defence (Mr. Claxton) took part in those discussions—then we are facing a real emergency that demands the promptest attention we can possibly give to the problem of establishing our own air force. For example, I believe it was the Ottawa *Journal* of Monday, January 26, which stated that a responsible officer of high rank in the United States army said that a surprise all-out Russian air attack would knock out western Europe's first line of air defence in one swoop.

If that is so, rather than thinking in terms of a minimum of defence we should be thinking in terms of a maximum. This is particularly true in Canada, which is in the direct line of attack between the potential enemy and the target to the south of us that would have highest priority. This means that almost all of us are in the front line and that in every way possible, by means of information to the press and so on, we should try to impress upon those who are in the reserves and who have had experience in the air force that they are needed to assist in establishing what will become the front line of defence, our air power.

To sum up these remarks, I am glad to see that steps are going to be taken to solve a problem that has become increasingly difficult. In fact, ever since I came to the House of Commons the Department of National Defence has been under attack and criticism for some cause or another. In most cases the criticism has arisen from a genuine feeling that all was not for the best in this particular department. I do not think, however, that the appointment of a glorified parliamentary assistant, as the present proposal seems to suggest, is a solution. I feel there is a special need in Canada to give specific and particular attention to the problems faced by our air force as we move through this difficult transition period.

As for the argument that unification is the prime essential in matters of defence, I cannot agree because in my view this is a day of specialization, diversification and division of labour. In almost every industrial activity we find this diversification and specialization carried out to an extreme degree. Certainly if we can operate successfully with a division of labour to bring about greater efficiency in private business, we can operate just as successfully in government departments, and particularly in the field of national defence. We have the administrative skills; we have the business knowledge required to maintain the channels of communication that would be necessary if there were an appointment of a special minister for air.

As for the argument that additional expense would be involved, let me say that I think there is a very simple answer when one asks the rhetorical question: What could be more expensive than the present set-up in the Department of National Defence? This department has revealed a high degree of inefficiency mainly, I feel, because of the attempt of too few people to cover too much ground. Particularly is this true in the field of air power.

Then finally there is the appeal that the proposed scheme put forward by the government be given a fair trial. I do not think it merits consideration, because certainly during the last three years, through a process of

trial and error, we have been attempting to meet the challenge facing us; and that process of trial and error has not worked out too satisfactorily. I would say that today is the time for action, particularly in matters pertaining to this very important part of our defence system, the Royal Canadian Air Force.

(Translation):

Mr. A. M. Robichaud (Gloucester): Mr. Speaker, I only wish to add a few words to the remarks made by those who have spoken before me during the debate on the bill now before the house providing for a most important amendment to the National Defence Act.

Not being a soldier, I must confess immediately my complete ignorance of the whole technical aspect of the various military divisions of national defence, such as the air force, the army and the navy. However, I fully support the remarks that have been made this afternoon by the Leader of the Opposition (Mr. Drew) and the hon. member for Nanaimo (Mr. Pearkes) who asked for a clearer definition of the responsibilities, powers, duties, privileges and prerogatives of the associate minister of national defence, whose appointment is provided for in the bill now before the house.

Mr. Speaker, although fully realizing that the new associate minister will be indirectly responsible to the present Minister of National Defence (Mr. Claxton), I am wondering if we must presume that the new associate minister will also be responsible to this house, that is to the hon. members who sit here as the representatives of the Canadian people; I am wondering also if the new associate minister of national defence would be just as responsible to this house as the present Minister of National Defence—if not more so—because, after all, Mr. Speaker, in my estimation, one of the most important duties of any minister of the crown is to account for his actions to this house.

I am also wondering, Mr. Speaker, whether we will witness, after the appointment of this associate minister of national defence, a repetition of the infringement on the prerogatives and privileges of the members of this house such as we witnessed last week on the part of the Minister of National Defence in this house.

I am of the opinion, Mr. Speaker, that it is the duty of any minister, of the associate minister for national defence whose appointment we are being asked to approve, to communicate to this house every detail, every bit of information that we, as representatives of the people, are entitled to expect from our ministers. Now last week some questions were put to the Minister of National Defence regarding certain radar installations. I had myself put certain questions on the order paper concerning the cost of one of these establishments at St. Margarets, New Brunswick. As you will recall, Mr. Speaker, the hon. Minister of National Defence refused to give this information on the ground that it would have endangered national security.

Are we to expect then that the associate minister of national defence, whose appointment we are now being asked to approve, will subject us to the same kind of treatment we received last week from the Minister of National Defence himself? The very day after he had flatly refused to give any information about the cost of certain radar installations, that is on January 30, the minister, addressing the chamber of commerce in North Bay, is reported by the *Globe and Mail* for January 31 to have said:

(Text):

> Mr. Claxton gave the most detailed description to date of Canada's system of northern defences which he said were operated in closest co-operation with the U.S.
>
> All aircraft flying in the north were identified by the radar screens and if they had not registered route plans they were investigated. The system had three phases: Identification by radar, communication of information by wire or microwave; and bases for fighter aircraft, of which the new R.C.A.F. base here was one of the most important.

(Translation):

Are we to expect, Mr. Speaker, that the associate minister of national defence, once appointed by the house, will refuse to give us information on the installation cost of our radar stations and establishments in Canada, when the present Minister of National Defence, the day after having categorically refused to answer our inquiries on the subject, went to North Bay and revealed what I am now going to quote—again from the *Globe and Mail*:

(Text):

> "A total of $10 million would be expended."

(Translation):

Mr. Deputy Speaker: Order. I do not wish to prevent the hon. member from expressing all his opinions on the amendment and the main motion now under study. However, I listened to what he said from the beginning of his remarks. He has asked himself many questions; he raises a lot of theoretical points and I wonder whether he is complying with the rules by raising these points and by answering them himself. At that rate, there would be no end to the number of theoretical points that he could raise.

We are only dealing now with the appointment of an associate minister of national defence. If the hon. member is of the opinion that the powers of such a minister should be more clearly defined, he may say so, as other speakers did. I have allowed him sufficient latitude and I would now ask him to be kind enough to co-operate with me.

Mr. Robichaud: Mr. Speaker, you will understand that I have limited knowledge of military matters as well as of parliamentary procedure. I thank you for the indulgence you have shown thus far. I shall abide by your suggestion. To what I have already said I only wish to add that I am strongly in favour of defining more clearly the powers, duties, privileges and more particularly the prerogatives to be given to the associate minister of national defence, whose appointment we are now asked to approve.

(Text):

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, there are several points that have been raised in the course of this debate on which I feel I should touch briefly.

(Translation):

As far as the question asked by the hon. member for Gloucester (Mr. Robichaud) is concerned, does he know that the amount of $10 million that I mentioned at North Bay represents the cost of an airport and not that of a radar station?

(Text):

Some reference was made to the fact that the reports of the chief auditor of the department were not shown to me. There must be a misunderstanding of the functions and position of the chief auditor in the minds of hon. members who have made this assertion. I described that at some length in my remarks on January 13, and no doubt it will be gone into by the defence expenditure committee if that is the desire of the committee.

I would point out that the chief auditor of the Department of National Defence makes an internal audit. He is an officer under the deputy minister, responsible to the deputy minister. He makes his reports to the deputy minister on the conditions which he finds within the service establishments. Until 1946 there was no such officer; such internal audit was not made. This is a new development in the Department of National Defence which has been progressively introduced and worked out.

I said in my remarks before that he had made a total of 1,185 reports to the deputy minister since his appointment. Those reports go to the deputy minister and result in action by the deputy minister. If there is anything in the reports requiring my attention the deputy minister brings that to my attention, but in his own words. In a number of cases the deputy minister discussed with me the organization and the fixing of the establishment for the army works services, the shortages of personnel, the necessity for a follow-up by a team within the armed forces, and other matters. These discussions resulted in numerous changes being made in the organization, as I stated to the house when I was dealing with the recommendations of the Currie report, most of which were in whole or in part anticipated and put into effect before we ever saw the report.

Those changes have been in process ever since the chief auditor started making reports. In particular the deputy minister drew my attention repeatedly to that fact that we were short of civilian personnel to carry out the job of doing the accounting in the way we would have liked, and repeatedly I would give him the support he wanted in making requisitions and requests to the civil service commission both to increase the numbers of staff allowed us and to enable us to pay them salaries and wages which would attract the type of men needed to do the job. The records of that are all there and I do not believe that there was any failure in that respect.

Reference was also made to the "breakdown" in the administration of the department. If that reference is based on the Currie report, then there is nothing in the report to justify it because Mr. Currie was, as he says, investigating the army works services, a branch of the Royal Canadian Engineers, which is a branch of the Canadian army. While from one point of view all those things are operations that are carried on within the department, for which the department, the deputy minister and the minister are responsible, it was the army works services that were the subject of investigation and report. When sweeping assertions of that kind are made I would suggest that hon. members making them should ask themselves if they are probable in face of the record of the Royal Canadian Navy, as demonstrated in the Far East and in reports by officers of other countries under which units of the navy have served; the record of the Canadian army, the 25th Canadian brigade in Korea and the 27th in Germany—

Mr. Ferguson: On a point of order, I do not think it is a proper comparison to compare our fighting men with the mess in the minister's department. It is a disgrace to hold them up as a shield.

Mr. Claxton: Mr. Speaker—

Mr. Deputy Speaker: Order. The hon. member has risen to a point of order. Perhaps I might take advantage of this interruption to say that I wonder whether it is appropriate, in discussing the amendment and the motion for second reading of the bill, to go so far into the general administration of national defence and the performance of our armed services. I know that some passing references have been made by hon. members speaking in opposition to second reading or in proposing the amendment, but the minister will find that if he enlarges upon the performance of the services, and other questions which to my mind may not be related to the amendment and the motion for second reading, I may have to allow opposition members to deal with these matters as well.

Mr. Claxton: Mr. Speaker, I had about concluded my reference to this matter. I thought I was being just a little more specific than the hon. members who made these sweeping assertions without any support whatsoever. When I was making my remarks the hon. member for Simcoe North (Mr. Ferguson) intervened with something that was not a point of order and had no relevance at all to the matter under discussion or to what I was saying.

Mr. Ferguson: It was time the intervention was made.

Mr. Claxton: There is one further point I wish to make. Reference has been made with approval to the statements made by the chief of the air staff who has just retired, Air Marshal W. A. Curtis. I think the hon. members who made these references will also have noticed that the chief of the air staff before his retirement, in both his broadcast and in the release which appeared in the press, described the operations of the Royal Canadian Air Force in terms which are a complete answer to the assertions made by the hon. member for Brandon (Mr. Dinsdale) and others.

Mr. Ferguson: Mr. Speaker, the minister certainly is broadening the debate and he is going to get a broadened debate.

Mr. Deputy Speaker: Order. The hon. member cannot interrupt unless he has the consent of the minister who has the floor.

Mr. Fleming: He is speaking on a point of order.

Mr. Claxton: What is the point of order?

Mr. Deputy Speaker: I did not hear the hon. member say he was rising on a point of order. All he did was stand up and interrupt the minister, and that is not according to the rules. The minister may continue.

Mr. Adamson: May I ask the minister whether he said that Air Marshal Curtis' statement was made with the approval of the government? In other words, what he said on retirement was approved by the government?

Mr. Claxton: I never mentioned that at all, but of course what he said in the broadcast—

Mr. Adamson: The minister said "with approval".

Mr. Claxton: —was said in my presence. His remarks were made during a broadcast in which I participated.

Reference was made, Mr. Speaker, to the Esher royal commission in the United Kingdom, which was appointed in 1903. I have its report here, and if hon. members will look at the report of the commission I think they will see that all its recommendations that are pertinent and relevant to the situation in Canada have long since been carried out in this country.

Reference was also made earlier in the debate to the so-called Hoover commission, the commission appointed by President Truman which made a number of reports to congress. The one dealing with the national security organization was made in February, 1949. The relevance of that report to the Canadian scene has already been dealt with by me in a speech on September 5, 1950, which appears at page 297 of *Hansard* for that year.

We have in Canada a system of administration of the Department of National Defence which has been worked out as the result of our experience in two world wars and in the period between. It was changed very substantially with my own appointment in 1946, and in consequence of those changes, as I shall indicate very briefly indeed, a considerable number of steps were taken by way of unification and reorganization, steps which I think hon. members who have followed the matter will recognize were far more striking and sweeping in the development of methods of unification and co-ordination than in any of the other countries to which reference has been made.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Claxton: When the house took recess I had just made a brief reference to unification and co-ordination. This has particular

relevance to the bill under discussion because it is necessary to consider any further development in the organization of the national defence department and the appointment of an associate minister or other ministers against the background of what has been done. It is also necessary to have in mind the general desirability, I think admitted by all members, of securing the greatest possible unification and co-ordination of the activities of the three armed forces—the Royal Canadian Navy, the Canadian army and the Royal Canadian Air Force—as well as defence research.

In this connection I think hon. members opposite would agree that, all things being equal, it is a good thing to have the utmost possible unification and co-ordination, not for their own sake but because they produce better planning, better programs and greater economy. The hon. member for Middlesex East (Mr. White) speaking on March 14, 1950, as reported in *Hansard* at page 753 said:

> I believe it is most important that Canada eliminate this duplication of services, and develop more efficiency, so far as it is possible, in our defence forces.

The hon. member for Nanaimo (Mr. Pearkes) said on May 16, 1950, as reported at page 2560 of *Hansard*:

> It is to be hoped that unification will bring about a lessening of the amount of money which might be required for each of the services if they were to continue to operate separately.

The same hon. member on May 8, 1951, said at page 2809 of *Hansard*:

> A co-ordinated or unified policy, though the various services may at times have to go through a slimming process, is far more likely to produce economical and effective results than is a system under which each of the services is working on its own.

With all those statements I emphatically agree, and I am sure the hon. members who made them would make them again.

In this connection what we tried to do was arrive at a basis of organization for the department under which plans and programs and the action necessary to carry them out would be taken by the department acting as a single department, having regard to the objects and necessities of the three services, but all within the lines of policy approved by the government. To a very considerable degree we have arrived at that objective. We have a unified system for preparing estimates, for establishing conditions of service, of standards of accommodation and the other items that enter into the production of estimates. I could also enumerate, if hon. members were interested and if time permitted, the ways in which unification has actually been carried out, duplication avoided, and co-ordination effected. However, most of those matters have already been put on *Hansard* and I will not delay the house with regard to them.

When the program of the Department of National Defence comes to be considered each year by the chiefs of staff committee there are present, in addition to the three chiefs of staff, the chairman of the defence research board, the deputy minister of national defence and, when required, representatives of the departments of external affairs, finance, and defence production. Questions are dealt with having regard to the agreed lines of government policy and within those lines it has usually proved possible, certainly in recent years, for the chiefs of staff and their committee, with representation such as I have described, to agree, and I say agree, on an allocation of the total amount to be provided for defence expenditure.

This is done by them and then the defence program as reflected in these estimates is considered in detail by a screening committee within the department where the chairman of the chiefs of staff committee, the deputy minister, and representatives of the Department of Finance—treasury—go over the program in detail with each chief of staff in turn together with his officials responsible for making up the estimates. It is then referred to me and the whole program is put forward for approval by the cabinet defence committee and by the cabinet itself.

So I think you will find that to a very considerable extent we have effected that degree of unification and co-ordination which has been our objective, and which has been the objective of other countries. We have, under the system adopted since 1946, a single department, a single deputy minister, a single set of civil servants, a number of unified operations—all those relating to the civil service and a good many relating to the armed forces themselves. We have established identical conditions of service for all three services; for pay, allowances, pensions, food, clothing in so far as it is common to all services, transportation, leave arrangements, married quarters and the like. Also we have a single National Defence Act and a single disciplinary code. As I say, I think without fear of successful challenge, we have gone farther in the degree of unification, co-ordination and elimination of duplication than any country I know of.

All the time this has been going on we have been observing and studying what has gone on in other countries and, where it has

been possible to learn from anything that has happened there, we have taken advantage of those developments.

It seems to me that on the principle of the Prime Minister's bill and the suggestions made by various opposition members, the Prime Minister (Mr. St. Laurent) has covered the question in general terms and I do not propose to go over that at all.

However, if the suggestion were adopted of having a separate minister or associate minister for air, then we would be limiting his activities because he would, under that proposal, act for air only. While I recognize the importance of the air branch, as other members do, I should point out that from the point of view of administration and the time occupied, the problems arising in connection with the air force are certainly no greater and probably less—though not in importance or amount of money spent—than the problems arising in connection with the army. You can appreciate this, because I think the air force has about one-fifth the number of units that the army has. It certainly has far less than one-fifth the number of weapons, and certainly less than one-fifth the number of contracts, due to different functions and operations.

If an order is placed for an aircraft like the CF-100 or the F-86E Sabre and its spare parts, then that order, subject to modification of course, is one operation which adds up to several hundred million dollars. It has to be watched carefully; but to add up to several hundred million dollars in terms of army equipment, construction and personnel requires a much greater number of administrative operations. If the proposed additional minister were to be limited to the air, then you would deprive the navy and army of his services unless the Minister of National Defence happened to be away. I believe that to return to the position where we have a Minister of National Defence and an associate minister earmarked for a special department would be a retrograde step. Indeed, the experience of other countries has shown that the best practice is to have either one minister or four.

If you had four ministers you would have, as in the United States, Britain or Australia, four departments. You not only would have a Department of National Defence but also one for the navy, one for the army and one for the air force. You would have to have all the things that go with a government department. There then would be the necessity of reconciling their programs, allocating funds, conditions of service and the like, all of which problems are avoided if you have a single department. I suggest to hon. members that we have armed forces of the size, and a country of the size, which enables one department to handle the matter successfully. The proposal that we have an associate minister of national defence for air, I suggest, does not meet the needs as they exist today.

The Prime Minister (Mr. St. Laurent) has put these things before you. I can assure you that I can say for the Solicitor General (Mr. Campney), or any other minister who might be appointed as associate, that there will not be duplication of effort nor confusion but there will be that kind of co-operation which is necessary to make for teamwork. I believe that the Prime Minister's proposal should be carried through.

Mr. J. M. Macdonnell (Greenwood): My old friend the Minister of National Defence (Mr. Claxton), Mr. Speaker, must permit me to speak plainly by saying that as I listened to him I found my amazement growing steadily. We have heard from the minister what we have heard several times before, a pleasant discourse indicating to us that all is well in the Department of National Defence. As I listened to him I began to rub my eyes and to ask whether there had or had not been a Currie report. Everything the minister said in the last part of his remarks following the dinner recess seemed to me to imply that criticism had never invaded or come near the Department of National Defence.

I had not intended to add more than one or two comments on the Prime Minister's bill with regard to the division of duties, but frankly I have been so surprised—so alarmed; I think that is the right word—to find that the minister, apparently notwithstanding what is in the Currie report, is able to stand up in this house and talk as if nothing had happened, that I must say something. I will be as brief as I can.

Having regard to what the minister said about the audit, I think I must ask the house to listen while I read the words in the Currie report, although they have been read before. I cannot make my argument unless I read what was said in this report with regard to the audit. At page 712 of *Hansard* for December 15, 1952, I find the following:

> The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from appendix "B" which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods

of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. This process is then again repeated.

Now, in the face of that the minister, at the end of his remarks about auditing, says that there was "no failure in that respect". I am quick to add that the minister based that partly on the fact that he had apparently tried to get more adequate personnel for auditing from the civil service commission. Having done that, he appears to think that his duty was done, and therefore he says there was no failure in that respect, notwithstanding these devastating words. If we should get into a real war, it would not be much protection against an enemy to say that the civil service commission did not give us the proper people to keep the books and therefore we are not ready.

Then I come to the recommendations in the Currie report. Some ten days ago or more the minister said in this house, I thought with some pride, that a lot of the recommendations of the Currie report had been put into effect. This afternoon he took a great step forward, when he said that most of the recommendations in the Currie report had been, in part at least, anticipated and put into effect before we ever heard of the report. I believe that is a real advance! I do not think the minister mentioned that the other night when the member for Calgary East (Mr. Harkness) was talking about these things.

There is one point which I believe is particularly worthy of note, because to me it is a most astonishing line of thought. The minister referred to the fact that the Currie report had spoken of a breakdown of administration in the department. This afternoon the minister said there was nothing that justified his comment because Mr. Currie was only investigating the army works services, and therefore to say that there was a breakdown in the department when he was only investigating a part of the army was not warranted. I suppose, Mr. Speaker, that the only thing we can deduce from that is that the department is only responsible for whatever is good, if we can find anything. If there is anything wrong, the department is not responsible for it because the burden for that is carried by the subdivision of the army concerned.

Well, Mr. Speaker, I find myself distressed by this because it seems to me that it indicates that in spite of everything the minister does not yet feel there is any real reason for correcting anything in the department. All I can say is if that is his real feeling, then it does not seem to me to make much difference whether we appoint one associate minister or a dozen associate ministers. It seems to me that we will not get anywhere if the minister is satisfied that things are all right in the face of what has been said. There is another thing. If it is assumed that everything is all right in so far as what Mr. Currie investigated is concerned, then of course we have no right to ask that all the rest be investigated. Therefore the whole thing comes to an end if that suggestion is once accepted.

The minister said a good deal about co-ordination and unification. I want to recall to the minister's mind that I think he perhaps did not take us fully into his confidence some time ago when we raised the question of organization, I think it was on May 24, 1951. It was in answer to a question in which I asked the minister what steps he was taking to organize this tremendous job and the minister said that day, as reported at page 3362 of *Hansard*:

> It is set up—
>
> That is the department.
>
> —in accordance with the practice which has obtained in the Department of National Defence over the years. There has not been much change. We have to do a job, and we do it.

That was on May 24, 1951. The minister gave us a good deal of interesting information tonight about changes which had been going on since 1946. I do not propose to follow him into the arguments about co-ordination and unification. I think those are long, mouth-filling words and that they express desirable things; in principle, I imagine we are all in favour of them. The only thing I can say is that if what we have now is co-ordination and unification in the department, then we should try to have something else or should try a different type of co-ordination and unification.

There is one further point I wish to make with regard to that matter, Mr. Speaker. I want to bring back to the attention of the house the words Mr. Currie used indicating the need for the broadest kind of reorganization in the department, not confined to the army works department or confined to anything. These are his words as they appear at page 717 of *Hansard*:

> What is needed now is the creation—
>
> Note the word "creation", Mr. Speaker.
>
> —of a system designed to fit the economic and efficient administration of a large and long-sustained preparedness program inside a national economy . . .

Mr. Speaker, if that indicates anything it indicates the need for building a new structure, the need for a complete overhaul. All I can say is that if those words have gone over the minister's head, or have gone over

the minister like water over a duck's back, the situation disturbs me more than I can say.

I now want to say a word or two in particular about the proposal of the Prime Minister. My trouble about it is that just as we often hear it said that we are in a kind of twilight war, so I think this a kind of twilight measure. We recognize—and the Prime Minister was at pains to point it out the other night—that the Minister of National Defence has been carrying a tremendous burden. I repeat what I said the other night, namely that I think the government is greatly to blame for having allowed that situation to continue. Readiness to work hard is not a substitute for organization. If we have had unification, all I can say is that it has landed us in a mess. Incidentally, I should like to point out to the Prime Minister the language used in 1940, when the ministries were set up to carry on the war—of course I admit that the present situation is substantially different—and the clear-cut words that were used to define the duties of the minister. I will read what was said in the statute about the minister of national defence for air:

> The minister of national defence for air shall be entitled to exercise all the powers of the Minister of National Defence in respect of any matter relating exclusively to the air service.

There, I submit, is a clear-cut definition of the powers and responsibilities; and it goes on to say that when a matter affects more than one service, then there is to be consultation with the minister. But I submit, Mr. Speaker, that that shows the kind of situation we want.

I want to revert for a moment to another matter. There is one other thing the minister said today to which I take great exception and which I wish to mention. That was the attempt that I was amazed to see him make to drag in the navy and the 25th brigade—incidentally as if they were creations of the government instead of belonging to the people of Canada. Really, as far as I could follow him, his suggestion was that in our criticisms we were criticizing the fighting men. I would say to him that is an utterly unfair suggestion, and I am amazed at him for making it, and I hope he will withdraw it.

Mr. Claxton: I never made any such suggestion and the hon. member knows it.

Mr. Macdonnell (Greenwood): No; I do not know it.

Mr. St. Laurent: The minister is telling you now.

[Mr. Macdonnell (Greenwood).]

Mr. Macdonnell (Greenwood): If the minister says that, then I withdraw that part of my statement. I could only take that meaning from it.

Mr. Claxton: May I make the words plain? Will the hon. member permit me to do so? What I had endeavoured to suggest, until I was interrupted, was that if we had achieved—and I am talking about the people of Canada—such success with the armed forces in their operational activities, it was not precisely the kind of evidence of a general breakdown of administration of the Department of National Defence that justifies the kind of sweeping statements that are made in attacking the department.

Mr. Macdonnell (Greenwood): The minister is now talking about the Currie report. I am quite content to let Mr. Currie stand behind his own report.

Mr. Claxton: It has nothing to do with the Currie report. It has to do with the statements of the opposition.

Mr. Macdonnell (Greenwood): I continue. The reasons given for all these months of delay I found to be disappointing indeed. The Prime Minister said—and bear in mind that this was two and a half years ago—as reported at page 1240 of *Hansard*:

> Even with the coming of war in Korea and the rapid planned build-up of forces for the North Atlantic Treaty Organization, it was not for some time that the pattern of our defence effort came to be worked out.

That is the end of the quotation from the Prime Minister. All I can say is that I do not think the pattern has been worked out yet. In the second place, as reported on the same page of *Hansard* the Prime Minister said:

> While the load of work borne by the Minister of National Defence was very great it was not clear, until the greatly enlarged program got under way, how best to divide the responsibilities of the defence department.

I would point out that now, when things are not so pressing, when we can look at things more calmly, it took two and a half years to do this whereas when the war was on they managed to get around to it and passed the legislation in 1940. In other words they did it in considerably less than a year. I found that part of the argument extremely unconvincing. Finally the Prime Minister, as reported at page 1241 of *Hansard*, said:

> Having now settled the main lines of our defence effort and having reached the principal decisions on policy, it has been possible to work out a plan for sharing the heavy load of responsibility—

—and so on. I have pointed out to you, Mr. Speaker, the clear-cut responsibilities that

were laid on the ministers and the clear-cut statement of duties contained in the legislation of 1940. Now I want to read what the Prime Minister said as to the division we shall now have. I am reading from page 1240 of *Hansard*:

> The main line of division—

That is between the minister and the associate minister.

> —will be that the minister will usually attend to matters having to do with defence relationships with the United Nations, with the North Atlantic Treaty Organization, with countries of the commonwealth and with the United States. He will also usually take the initiative with respect to matters of policy within Canada relating to defence generally or to two or more of the three services.

Then he goes on to say:

> The associate minister, in addition to carrying on the work of the minister when the minister is away, will keep more closely in touch with matters of administration relating to the services.

Mr. Speaker, I suggest that they are just going to be like Siamese twins, that there is no clear-cut division, that the whole thing is woolly and that the upshot will be that the Minister of National Defence will not really be relieved of any responsibility at all. It is all resting on his shoulders, and we will have the present situation or perhaps even worse. So I am disappointed—disappointed more than I can say—that the representations made at this time from this side of the house have carried no weight. I can only hope that when the amendment is put tonight there will be some members on the government side who will feel differently.

Mr. George H. Hees (Broadview): Mr. Speaker, when he was speaking just before the dinner recess, and making reference to the treatment of the chief auditor's reports by his department, as reported by Mr. Currie, the Minister of National Defence (Mr. Claxton) said:

> I said in my remarks before that he had made a total of 1,185 reports to the deputy minister since his appointment. Those reports go to the deputy minister and result in action by the deputy minister. If there is anything in the reports requiring my attention the deputy minister brings that to my attention, but in his own words.

Now I am going to repeat the paragraph just read by the hon. member for Greenwood (Mr. Macdonnell), because I believe it is the crux of the situation with which Mr. Currie dealt. I repeat his words:

> The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from Appendix "B" which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

I believe it is obvious from this that if the deputy minister had required the quartermaster general to report back to him on the various occasions when he directed the quartermaster general to investigate the conditions reported to him by the chief auditor, there would have been no need for any investigation by Mr. Currie, because the conditions which made that investigation necessary would have been wiped out several years ago.

The minister has said he is responsible for all actions within his department. Therefore of course he is responsible for this gross negligence on the part of his deputy minister in not requiring the quartermaster general, time and again, to report back on his findings.

Those in charge of this department obviously do not understand the principles upon which business, especially big business, are operated. I refer particularly to the delegation of authority which requires those to whom authority is delegated to report back on those matters concerning which they are told to investigate. In any business of which I am aware, any subordinate who had been given a job to investigate and report back, and who did not report back, would be fired; and any executive who required that subordinate to report back, and did not see that he reported back, would also be fired. Any president and board of directors that tried to justify such negligence to its shareholders would certainly be fired at the next annual meeting.

Mr. Speaker: Order. I know it is difficult to relate the discussion of the Currie report to the bill without going into the details of the report. I have not objected to reference being made to the Currie report, but such reference must be in direct relation to the bill, which has for its purpose the amending of the National Defence Act by the appointment of an associate minister of national defence. I would ask hon. members to endeavour to relate any reference to the Currie report to the bill now before the house.

Mr. Hees: Thank you, Mr. Speaker. I shall close my remarks by asking the minister this question. Does the minister consider that the deputy minister took adequate and satisfactory action in requiring the quartermaster general to investigate and report back, and then never, on any occasion whatsoever, checking the quartermaster general because he did not report back?

National Defence Act

Mr. Claxton: I would be happy to answer the question if the facts stated in the question were true. Unfortunately, however, they are not. They are not accurate. I think this had better be left to the committee on defence expenditure.

Mr. Hees: What part of the question is not true? My question was founded on Mr. Currie's report to this parliament. I am asking the minister what part of my question is not true.

Mr. Claxton: I could be very clear about it, that part in which you said that the deputy minister never, on any occasion whatsoever, checked the quartermaster general because he did not report back. As I have said to the house—and if the committee on defence expenditure wishes to see the facts, which I think are interesting, they may see them—every one of the 154 irregularities listed in appendix "B" of the Currie report is dealt with there, indicating what kind of irregularities they were, what report was made by the chief auditor, what action was taken and how the follow-up occurred. That will all be on the record.

Mr. Hees: Then may I ask another question. Does the minister then say that Mr. Currie made an erroneous report?

Mr. Speaker: Order; I am afraid we are getting too far afield. The hon. member for Broadview (Mr. Hees) should, I suggest, try to relate his remarks to the bill.

Is the house ready for the question?

Some hon. Members: Question.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Adamson
Argue
Aylesworth
Beyerstein
Black (Cumberland)
Blackmore
Blair
Brooks
Browne (St. John's West)
Bryce
Catherwood
Churchill
Courtemanche
Diefenbaker
Dinsdale
Drew
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser
Fulton
Green
Hansell
Hees
Herridge
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Low
Macdonnell (Greenwood)
MacInnis
MacLean (Queens)
McGregor
McLure
Montgomery
Pearkes
Quelch
Robichaud
Ross (Souris)
Shaw
Stanfield
Stewart (Winnipeg North)
Thatcher
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie—52.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Balcom
Bater
Beaudoin
Benidickson
Bennett
Bertrand
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Bradette
Bradley
Brown (Essex West)
Byrne
Campney
Cardin
Carroll
Carter
Chevrier
Claxton
Corry
Cote (Verdun-La Salle)
Crestohl
Croll
Darroch
Decore
Deslieres
Dumas
Eyre
Ferrie
Follwell
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gibson
Gour (Russell)
Gregg
Harris
Harrison
Hellyer
Helme
Hetland
Huffman
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Lafontaine
Laing
Langlois (Gaspe)
Larson
Leduc
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCubbin
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
Major
Monette
Mott
Murray (Cariboo)
Murray (Oxford)
Mutch
Parent
Proudfoot
Prudham
Ratelle
Richard (Ottawa East)
Robertson
Rochefort
Rousseau
St. Laurent
Simmons
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Studer
Tremblay
Valois
Viau
Ward
Weir
Welbourn
Whitman
Winkler
Winters
Wood—111.

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

Mr. Drew: On division.

Motion agreed to on division, bill read the second time and the house went into committee thereon, Mr. Beaudoin in the chair.

On section 1—*Associate minister.*

Mr. Drew: Mr. Chairman, clause 1 is the clause which deals with the amendment of the act envisaged by introducing section 6A, and carries forward the proposal already placed before the house in the statement of

the Prime Minister this afternoon. I propose to direct my remarks entirely to the statement made by the Prime Minister because this is a bill presented by him, and I wish to make it quite clear that, in so far as any comments are made about the necessity of amendment, they are directed to him and to the government and not to any particular minister of that government. The government must assume full responsibility for the course that is being followed, and the acceptance of that principle has been indicated by the fact that the bill does stand in the name of the Prime Minister.

Before dealing with the wording of the sections before us I wish to deal very briefly with the suggestion that was made in this house that criticism directed to the administration of the Department of National Defence should be interpreted as criticism of the armed forces. I doubt if there could be any more improper suggestion made by any member of this government than that most improper statement. Having regard to the fact that some measure of courtesy has been extended to the minister by those whose service justifies respect, and particularly by the hon. member for Nanaimo whose service justifies the respect of every member of this house and of every Canadian, I would have thought we would not have found the government remaining silent at a time such an improper suggestion was made, no matter what member of the government made it. There is only one thing that would interfere with the morale of the army, navy or air force.

Mr. Claxton: By the way, the suggestion was never made, Mr. Chairman.

An hon. Member: Oh yes, it was.

Mr. Drew: It has been made over and over again. There is only one thing that will impair the morale of the army, navy and air force, and that is if they come to the conclusion that the government are not going to act upon the recommendations made by the man they chose to conduct an inquiry.

The Chairman: Order.

Mr. Drew: The one thing—

The Chairman: Order. I think it is my duty to remind the Leader of the Opposition that according to standing order No. 58, paragraph (2):

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

It is a pretty wide clause, I understand, but I do not think it is so wide that the Leader of the Opposition can make a speech of the type which could be made on second reading of the bill which has just been carried.

Mr. Adamson: On a point of order. This afternoon when the Leader of the Opposition was not in the house you, in your office as Speaker of this house, had to request the Minister of National Defence to cease and desist from discussing the armed forces in the way he was discussing them. I mention that now, as a point of order, to show that his remark at the present time is entirely in error.

The Chairman: Order. Following what the hon. member for York West has said, I might say that if the Leader of the Opposition wished to correct a remark which had been made in the course of the speech of the Minister of National Defence he could properly have done so when the Speaker was in the chair on the motion for second reading of the bill. A moment ago, before the question was put, I noticed that the Leader of the Opposition was in his seat, and that was the time to make the correction.

That phase of the debate is now over and we are in committee of the whole house. I cannot entertain any correction or any clarification of position or any amendment of what has been said by the Minister of National Defence in reply to remarks made on second reading of the bill by the Leader of the Opposition, while we are in committee of the whole. All I can deal with now is what is being said on this clause and I am governed, as the hon. member understands, by standing order No. 58, paragraph (2), which says speeches must be strictly relevant to the item or clause under consideration. I am sorry, but that is the rule I must apply.

Mr. Adamson: My point of order was to correct a statement on second reading, while you were in the chair, which the Leader of the Opposition has not yet been apprised of.

Mr. Diefenbaker: In that connection, Mr. Chairman, while the rule is in effect has it not always been the habit to allow a general discussion in committee on the first section? I suggest that while the rule applies strictly once the sections are taken up individually, on the first section it has been the invariable custom to allow the widest possible discussion.

The Chairman: Hon. members will realize that the general discussion cannot extend beyond the two clauses which are in this amending bill. It cannot be a repetition of the general discussion which took place on the principle of the bill on second reading.

Mr. Drew: Mr. Chairman, it would appear that there has been some misapprehension about the point to which I was directing my remarks. I propose to move an amendment, and my remarks are directed to the reason why an amendment should be made.

I am suggesting that the amendment that is to be proposed is one that is in keeping with the responsibilities of this house to the members of the armed forces. I would hope that in dealing with that there will be no recurrence of any suggestion that, when we make this proposal that there be a more efficient manner of administering the Department of National Defence, and that the government assume that measure of responsibility indicated by the facts placed before us, this is in any way a reflection on the members of the armed forces.

The members of the armed forces are those who deserve immediate action to improve the situation which now exists. That situation is one which calls for some change in the general procedure and improvement in the handling of national defence. These remarks are not directed to a minister now holding a portfolio. They are directed to the Prime Minister as head of the government in relation to the suggestion that there be a new minister and, presumably, a new minister for the purpose of changing a very unsatisfactory condition which does now exist. Any suggestion that the situation is satisfactory now is simply a denial of all the facts which have been placed before us, and a denial of the known facts in the possession of every member of this house.

We have had assurance after assurance that everything was being done that should be done and then, when an opportunity is presented to obtain the facts, we get the clear and unchallengeable evidence that a great deal does remain to be done. The suggestion was made that the bill go back for reconsideration. That has been disposed of. Now we are in committee, and this is the point at which an amendment may be moved calling for the appointment of an associate minister of national defence for air. In view of the fact that the government has not seen fit to reconsider the measure it will not be possible to define by amendment in a satisfactory way the duties that should be exercised. Nevertheless, if an amendment were accepted which simply called for the appointment of an associate minister of national defence for air, that term in itself would be sufficiently descriptive to indicate the nature of the duties which could be defined for that minister under the section now before us.

The proposal has been made that we should, in this case, follow the practice which has been adopted in other countries of the commonwealth as well as in the United States. Every one of us recognizes that the procedure is different in the United States. Every one of us recognizes that they do not carry on government under the parliamentary system. Nevertheless, from the point of view of administration, it is significant that they have chosen to deal with this extremely important part of the responsibility of government in the very way we are suggesting it should be dealt with here. The difference between their system and our parliamentary system does not in itself render inapplicable the reasons they have adopted that course. Since it is so generally agreed that we depend very largely on the efficiency of their effort for the combined strength of the western nations, I think most of us will hope that their system is efficient. Most of us do believe that the present President of the United States has had that measure of military experience which would give him a very unusual appreciation of the type of administrative organization that would be most effective under circumstances of this kind.

The proposal that there be an associate minister of national defence for air does not create any difficulties from the point of view of administration. The Prime Minister (Mr. St. Laurent) made this clear. He has indicated that no problems arose when an associate minister was appointed before. He has made it clear that at a time when, in addition to an associate minister, there were ministers of defence for air and naval services, no problems arose as to overlapping jurisdiction or competitive efforts to advance the cause of one service or the other.

One of the reasons it does seem particularly appropriate that we should have an associate minister of defence for air is that this country, more than any other country in the world, has demonstrated its special qualifications in the air. This country, more than any other country in the world, has demonstrated the aptitude of our young men for this still comparatively new branch of the service. Moreover our geographical position makes it essential that we develop our air service in a way that will make it easy for us to contribute that form of defence which could be most effective.

Since this matter was discussed this afternoon, Mr. Chairman, I have heard certain comments made over the radio that emphasized that a minister for air services would mean added national defence costs. Actually what might well happen, and what we believe would happen, is that there could be substantially reduced national defence costs and

substantially reduced taxes as a result of that, with still greater effectiveness and hitting power if we rationalized our whole defence organization with appreciation of the fact that Canada occupies a peculiarly favoured position from the point of view of developing air defence. By the employment of air transport, by the employment of long-range aircraft of every type, we could develop a mobile force with armoured forces which could be moved rapidly to any point either in our own country or outside, with the highest economy that could be established. In this modern world, with the material resources and human skills we possess, we should be concentrating every effort to give every man in a unit the greatest hitting power that our industrial skill makes possible.

The way to do that is to develop fast, mobile forces which can be moved by air to any part of the world. This proposal has already been made on a number of occasions from this side of the house. The appointment of an associate minister of defence for air would not only make it possible to emphasize the development of our air service, but also to co-ordinate the development of our air services with the development of other forces. It would increase the hitting power per man, and in that way achieve great economy of force and great economy of manpower.

The time for a re-examination of our defence organization is long overdue. One of the ways to achieve it is to appoint a minister particularly responsible for the administration of that part of our defence organization which will be called upon to spend more than half of every tax dollar raised for the purposes of national defence. Therefore, Mr. Chairman, I move, seconded by the hon. member for Nanaimo (Mr. Pearkes):

That section 1 be amended by adding the words "of air" after the word "defence" in the sixth line thereof, and that section 2 be amended by adding the words "of air" after the word "defence" in the sixth line thereof.

Now, Mr. Chairman, before you deal with that amendment, I would point out that its effect would be to have section 6A read as follows:

The Governor General may at any time by commission under the Great Seal appoint an associate minister of national defence of air who shall exercise and perform such of the powers, duties and functions of the minister as may be assigned to him by the governor in council or the minister, and shall be paid a salary of $10,000 per annum; during the period that a person holds office as associate minister of national defence—

I should have the words "for air" in there.

—under this section, the number of associate ministers of national defence who may be appointed under section 6 shall be reduced by one.

The same would apply to section 2. Now, Mr. Chairman, I am not attempting to deal with the details of the duties of the minister as proposed, because as I pointed out today that would practically mean the rewriting of the section. Nevertheless, if the minister is described as the minister of national defence for air, then it will be natural for the government to define his functions in relation to that title. I feel sure that, with the title adopted, the functions would naturally follow in relation to the activities of the minister in the way that has already been suggested.

I urge consideration of this proposal. I know it has been said, but I repeat, that in the face of what has come before this house it seems difficult for anyone to seriously argue that there is no need for some effective step to be taken to change the present method of handling the general organization of our defence forces. If that is so, this is a positive proposal consistent with the experience of other nations of the commonwealth and the United States with which we are associated in a common effort. If it is convenient for our Minister of National Defence to discuss problems of national defence with the other minister of national defence, it would be equally convenient for a minister of national defence for air from Canada to discuss air problems with the ministers of national defence for air of the other countries with which we are associated. That in itself would seem to be one advantage of a system of this kind. We all know of the primary importance being placed upon the development of air power by every one of the nations with which we are associated at this time.

Without attempting to go back over the various arguments that have been dealt with at other stages of the consideration of this bill, I once again urge favourable consideration of the proposal put forward in this amendment.

The Chairman: I notice that the amendment I have before me contains the words "of air". Does the leader of the opposition wish to have "for air" instead of "of air"?

Mr. Drew: Yes; "for air". I regret that, Mr. Chairman; it should have been "for air"; and also it should be that in lines six and eleven.

The Chairman: Also in lines fourteen and seventeen.

Mr. Drew: That is right.

The Chairman: Therefore the motion is:

Mr. Drew moves, seconded by Mr. Pearkes, that clause 1 be amended by adding the words "for air" after the word "defence" in the sixth line thereof and in the eleventh line thereof.

That would take care of clause 1. Perhaps it might be preferable to wait until we consider the second clause before we put the amendment on that clause, which would be:

That section 2 be amended by adding the words "for air" after the word "defence" in the sixth line, and in the eleventh line thereof.

Mr. St. Laurent: With respect to part II, there it will follow as a matter of course. Part II is only a reproduction of part I for the purpose of making the revised statutes conform with whatever may be adopted at this session. Therefore, as a matter of substance, we really have to deal only with part I.

The hon. gentleman proposes that the words "for air" be added in part I after "associate minister of national defence". The effect of that, if it has any effect at all, would be to restrict the authority that would be indicated by parliament as being granted to this minister of national defence. There is something which I find strange about this amendment. I will not say it is illogical. I suppose that the purpose, object and function of the opposition is always to find that even when we are doing the right things, we are doing them in the wrong way. I am not disputing my hon. friend's right to be quite sincere about it. His suggestion was that it was quite wrong to come to parliament, that we had in the National Defence Act the right to do the very thing that we were asking parliament to join us in doing. Had we done it—

Mr. Drew: Mr. Chairman, may I ask the Prime Minister who made the suggestion that it was improper to come to parliament?

Mr. St. Laurent: The hon. gentleman himself; the Leader of the Opposition. Every hon. member who spoke against the resolution when we were at the resolution stage suggested that this was quite unnecessary, that we were in the emergency that was provided for in the Emergency Powers Act, and that under the Emergency Powers Act we could have done just exactly what it was proposed to do by this legislation.

Mr. Drew: On a question of privilege, Mr. Chairman, I would point out that the statement made by the Prime Minister is wholly incorrect. What was recommended was that this matter come before parliament and that we deal in explicit detail with the functions and responsibilities of the minister. That proposition has been argued on every occasion. The point that was raised in regard to the emergency act was that if the government was going to rely on an emergency—

The Chairman: Order. May I point out that now we are in committee hon. members may take part in debate as often as they wish. If the Leader of the Opposition wishes to clarify or correct part of the speech made by the Prime Minister, perhaps it might be advisable for him to wait until the Prime Minister has concluded his remarks.

Mr. St. Laurent: I am not going to make any argument about it. The thing is there in writing. It is on the record, and I rely on the record to show whether or not the suggestion was made that it was quite unnecessary to come here with a resolution for the introduction of a bill because the National Defence Act provided in its terms that we could do, during an emergency, what the resolution suggested we wanted to do.

The argument on that matter was as to the character of the emergency. We had some further discussion about that matter this afternoon on the second reading of the bill, and the hon. member for Lake Centre asked what distinction I would make between the kind of emergency described in the National Defence Act and in the War Measures Act and the kind of emergency described in the Emergency Powers Act. I think we both agreed that it was really a matter of degree rather than a matter of substance that distinguished the two. But the suggestion made was: You do not need this at all; you can go ahead and do it under the National Defence Act.

Mr. Diefenbaker: I never made any such suggestion.

Mr. St. Laurent: No; the hon. member for Lake Centre did not make that suggestion. I am just reminding the hon. member for Lake Centre that we had this exchange of views as to what difference there might be between the one emergency and the other.

The defence act provides that in an emergency not only one but three associate ministers can be appointed to do just exactly the same thing that is provided for, and in the same language that is found in section 6. It is exactly the same language in section 6A with respect to the appointment of one associate minister that is found in section 6 for the appointment of—

—not more than three additional ministers of national defence, each of whom shall exercise and perform such of the powers, duties and functions of the minister as may be assigned to him by the governor in council or the minister.

Here the language is exactly the same. Instead of saying:

—each of whom shall exercise and perform such of the powers, duties and functions of the minister as may be assigned to him by the governor in council—

Section 6A provides:

—who shall exercise and perform such of the powers, duties and functions of the minister as may be assigned to him by the governor in council—

All that is going to be accomplished by this bill is this insertion of section 6A. There is not going to be any amendment of section 4 of the act which comes after section 2, the interpretation clause which determines what is meant by "minister". Section 4 says:

The minister shall have the control and management of the Canadian forces, the defence research board and of all matters relating to national defence including preparation for civil defence against enemy action, and shall be responsible for the construction and maintenance of all defence establishments and works for the defence of Canada.

That is going to stay there. Therefore even if this amendment were accepted and this provision were made for the appointment of an associate minister for air, the overriding powers of the minister under section 4 would still exist and there would still have to be this co-operation, understanding and mutual respect for each other, and mutual help to each other that is going to be required under this bill as it stands. The only effect of the amendment would be to indicate that in the view of parliament the associate minister should not be concerned with anything but that part of the service which is the Royal Canadian Air Force.

We wish the associate minister to have more of the powers of the minister than would be implied in the amendment that is now suggested. We wish him to be the associate minister and to have all the powers, duties and functions of the minister, to be able to exercise them jointly with the minister and to be able to do what was provided in the statutes of 1940, namely that he might replace the minister, act for the minister and exercise all the powers of the minister that were not withheld from him by the governor in council; and none were ever withheld. I do not think it necessary or desirable nor do I think it would make for efficiency to restrict to the Royal Canadian Air Force the powers of the minister that might be exercised by this associate minister. I submit that the associate minister here will have just exactly the same status, position and authority as he would have had, had we found that there was the kind of emergency that made it proper to do it by order in council.

Mr. Pearkes: Mr. Chairman, I do not inten to repeat the arguments advanced during th resolution stage and in the debate on secon reading of the bill, upon which occasions w have advocated that the activities of th associate minister be confined, in the main, t dealing with the Royal Canadian Air Forc or the air service.

It seems to me that the restriction of hi authority to certain specific details or, to b precise, to the administration of one servic is a very distinct advantage rather than disadvantage, as was implied by the Prim Minister's remarks. Surely the confusio into which the Department of National De fence has now been thrown, surely all th uncertainty about the administration of tha service, surely the very fact that there no has to be a division of responsibility, is du to the fact that one minister has had suc a wide range of responsibility, and that hi responsibility was not confined to definit limits capable of being handled efficientl by any one person.

Having spread the minister's responsibilit over all branches of the Department c National Defence, it seems to me the govern ment is now committing exactly the sam fault by spreading the responsibility of th associate minister over all the variou branches of the department. Rather tha being a detriment to effective administratio it seems to me the suggestion I make woul be a very definite advantage in the adminis tration of the department, and a step towar efficiency.

There are many other ways in which th Minister of National Defence may receiv assistance in the administration of the othe branches of his department, namely th army and the navy. He may have parlia mentary assistants to help him in that respec But surely if we are going to have efficienc in this department we should take this grea air service away from the general adminis tration or general supervision of the Ministe of National Defence and give it to one defin ite person. The administration of that serv ice would be his responsibility. He woul not be asked to spend his time dealing wit the administration of the navy, the army c any other branches of the department.

A minister for air would confine his atten tion to that branch of the service which no is spending a billion dollars, a branch whic is taking 50 per cent or more of the tota amount to be voted to this departmen Therefore it seems perfectly logical to sug gest that the associate minister should con fine his attention to the air service.

Of course there will be the necessary co operation; of course there must be mutua

respect between the Minister of National Defence and an associate minister for air. We cannot see them working in watertight compartments. But what we are trying to do is ensure that one man has a reasonable amount of responsibility, that he has responsibility over a limited field, or a field over which it would be possible for him or for any other man in his position to exercise authority.

As I say, we would expect the same co-operation. We would expect the same mutual respect between the Minister of National Defence and his associate minister for air. I presume there would be the same co-operation and the same mutual respect that must exist among all members of the cabinet. I see no reason why that co-operation and mutual respect should cease just because the responsibilities of an associate minister for air were restricted to the air service.

It is a clean, straightforward division of responsibility. It can be made effective; it can be made efficient. On the other hand, there is still confusion; there is still too wide a distribution of responsibility over too wide a field, and it is beyond the capabilities of a human being to exercise that supervision efficiently over such a wide field. Therefore I support the amendment.

Mr. Adamson: Mr. Chairman, I have only a word to say. If I had not been convinced that a minister for air was desirable, then I most certainly would have been after having read in some detail the remarks of the retiring chief of the air staff, Air Marshal W. A. Curtis, who dealt with the problems of the air arm. He dealt in detail with the problems of the defence of this country from the air. He dealt in detail with the ability, the genius, of the Canadian in the air. He dealt in detail with the logistics of the geographical problems in Canada.

In the house some nights ago I asked these questions, and the Minister of National Defence answered in general terms. But the specific answers were contained in Air Marshal Curtis' speech. Those answers were technical, in some degree. But today, when we are moving at this rate in matters of national defence, it is necessary for all of us to spend some time in the study of these problems.

As the problems grow more complex, it is impossible for any one man dealing with the general problem of land warfare also to deal with the problem of air warfare which, I suggest, constitutes at least half or probably more than half the whole problem of national defence. If any proof is needed that we should have a minister for air, it is contained in the words spoken the other day by the retiring chief of the air staff.

To give one example: Speaking earlier, I mentioned that we would have to reorient our ideas with respect to fighting aircraft, that we would have to produce aircraft that could fly beyond the sound barrier in level flight for sustained periods of time, and that would mean an entirely new development in air thinking. There was a general reply; but Air Marshal Curtis dealt with this matter in detail, because he was capable of giving the answers. There is proof that you have a capable specialist who knows the air as the new theatre of war. We are spending over half our total defence expenditures on air, and this will grow and grow as the years go by. Within a few years it may so predominate our thinking on national defence that we will have a minister for air and the other ministers will be subordinate to him.

I mention these things because I think they are so important that I believe this move should be taken now; therefore I support the amendment.

Mr. Drew: Mr. Chairman, as you have pointed out, it is possible to speak again in committee. So that the record may be quite clear I wish to deal with the statement made by the Prime Minister that we had urged a contrary course. The record does speak quite clearly as the Prime Minister has said. For that reason I would refer to what I said on January 22, as reported on page 1242 of *Hansard* as follows:

> If there is to be an additional minister, then I submit that one of the things which should be before the house is a clear definition of the responsibilities of that minister. If his real duty is to be that of an administrative official with cabinet rank, then I believe that should be before us in some detail when we say that it is expedient to introduce an appropriate amendment for this purpose. If on the other hand it is to deal with a particular service, then I think that should be before us.

Then I went on to deal with the question of the emergency. What I was emphasizing was that if the government was going to rely on emergency powers in one case, it certainly was inconsistent to suggest in another case that it was not going to regard this as an emergency. The Prime Minister pointed out that he did draw a distinction between the nature of the emergency as defined in the National Defence Act and that he did not feel it was proper to proceed under that act.

We were not urging that the government act that way; we were pointing out that if they were going to assert an emergency, then they had the powers already rather than to deal with it in this unsatisfactory manner. That was the emergency I was

referring to. Having discussed that, I then went on to say, as recorded later on the same page:

> I submit that if there is no emergency we should follow the normal method, and that a bill should be introduced to deal with the appointment of a new minister in the ordinary way. Otherwise it is open to the government to appoint a new minister by order in council at any time without the matter being submitted to parliament. If there is no emergency, then the ordinary procedure of creating a new ministry and describing its functions by statute should be employed.

Then a little later I said:

> I should think that everything that has taken place in the house ever since we met this session would emphasize the need for the most exact procedure in dealing with all matters connected with the Department of National Defence. I do not think we should further increase the opportunity for informal proceedings and undefined authority.

That is exactly what I have been contending, that we should not increase the opportunity for informal proceedings and undefined authority. I am suggesting now by the amendment put forward that we should specifically name the minister as the minister of national defence for air. While it may not be possible now to draft the details of a satisfactory measure, I feel sure if this were done the government would in the very nature of things define his function in relation to air activities.

It does seem strange that there is absent from the arguments being made by the government in regard to this matter an acceptance of the fact that there is urgent need for radical reforms in the handling of our national defence and that there is urgent need for some steps to be taken to avoid the kind of waste and extravagance and the invitation to theft which have been placed before us.

The government is certainly in position where it should place before us something that will give us assurance of a more effective method of handling our defence problems. No mere addition of a new minister with the same functions the minister already has will meet the situation with which we are faced. We must have a change of system. There is no hint of any change of system now placed before us. Without a change of system the government are going to find themselves in the same confusion, in the same uncertainty, in the same breakdown which has already been described to us.

Surely this is the time the government should rise to the level of events. Surely this is the time the government should act in accordance with the nature of the situation which has been described to us. Surely this is the time the government should be ready to accept a suggestion which would greatly increase the efficiency of our preparations for defence now and in the months ahead.

Mr. Knowles: Mr. Chairman, there is one point about this first section that bothers me and the proposed amendment of the Leader of the Opposition does not settle that point in my mind. I refer to the fact that the wording of the Prime Minister's bill suggests that the powers and functions and responsibilities of the associate minister are to be those to be assigned to him either by the governor in council or by the Minister of National Defence.

The Prime Minister will correct me if I am wrong, but I do not know of any other instance where a full-fledged member of the cabinet, with all the powers and responsibilities that go with being such a full-fledged minister, is in the position of having his duties assigned to him by a fellow minister supposedly on the same level. I have checked the act of 1940 when provision was made for an associate minister of national defence and also for a minister for air and a minister for naval services. Certainly there is no wording in that act which corresponds with the wording here, under which the associate minister of national defence shall exercise and perform such of the powers, duties and functions of the Minister of National Defence as may be assigned to him by the governor in council or by the Minister of National Defence.

It is true that in section 6 of this act there is provision for associate ministers to be appointed, three of them in fact, and that their duties could be outlined in one of two ways. Either their duties could be outlined by the governor in council, and that would be the end of it, or they could be outlined by the governor in council or the minister. The Prime Minister knows that as yet no action has been taken under that section so that even though that provision is on the statute books, so far as I know we do not yet have a minister in the cabinet whose position is outlined for him, not by the government as a whole, not by the governor in council, but by another minister.

A great deal has been said about the mutual respect, trust and confidence between the present Minister of National Defence and the Solicitor General, and the fact that they will get along together and so on. But we have to look at this in terms of principle. What would be the situation if other persons were occupying these positions? The question I am asking is this: Will it work for two men to be on the same level, both full-fledged ministers of the government, with all the responsibilities that go with being ministers of the crown, yet one of them to be in fact subservient to the other? I put it that way a

strongly as I can, but I should like to have the Prime Minister's comment on that situation.

Mr. St. Laurent: Of course that situation does not affect the amendment that is now before the committee. The amendment before the committee is merely to provide that the associate minister be designated associate minister for air, but that would not change the provisions of the National Defence Act in any way at all. When this act was drawn in that fashion I was concerned, as the hon. gentleman has been concerned, with that form of legislation, and I was told that we had better have it in exactly the same form in which it is already in the National Defence Act. The governor in council will assign to the associate minister equal powers with those of the Minister of National Defence and will have the right at any time to modify that should the situation require. Thus in fact you will have the same situation that existed under the statute of 1940.

Under the statute of 1940 the associate minister was given by parliament unless the governor in council otherwise directed—and he never did otherwise direct—the right to exercise all the powers of the Minister of National Defence including those defined by this act. Had the amendment been to substitute for the language of 6A as it is here the language that was in the statute of 1940 I would have been perfectly prepared to accept it. If that should be the desire of the committee after we have disposed of this amendment, I would be perfectly prepared to accept an amendment in the language of the statute of 1940 instead of as it is in 6A. Section 6A was drafted in this way so that we might not have to make any explanation of why we were not satisfied with the language that we ourselves had recommended to parliament and that parliament had adopted in the defence act of 1950. Therefore when we have disposed of the present amendment, if there are any hon. members who feel that it would be preferable to have this act read as does the act of 1940 I would be quite prepared, as the promoter of this legislation, to accept that kind of amendment.

Mr. Knowles: I appreciate the Prime Minister's comments. I should like to reply to one point. He said that when section 6A was drafted the government felt it should use the language that was approved by parliament when the National Defence Act was last before us. May I draw to his attention that section 6, subsection 1, of that act contains two alternative ways of dealing with this matter.

Mr. St. Laurent: Yes.

[Mr. Knowles.]

Mr. Knowles: The Prime Minister will find that section in the explanatory notes on the righthand page of the bill now before us. Section 6(1) contains two alternative ways of dealing with this problem, and they are set out as subparagraphs (a) and (b). Subparagraph (a) provided that the powers of any such additional minister would be prescribed by the governor in council. That was as far as subparagraph (a) went. It was subparagraph (b) that imported this idea of these powers being set up either by the governor in council or the minister. In my view section 6(1)(a) is infinitely preferable to section 6(1)(b). It seems to me that it puts ministers on the level they ought to be in the cabinet. I should like to ask this question. If the Prime Minister took for the new section 6A wording that was already in the act, why did he take the wording of 6(1)(b) rather than the preferable wording of 6(1)(a)?

Mr. St. Laurent: Because we were appointing only one, and it seemed to be more convenient to have him described as an associate minister of national defence than to have him described as an additional minister of national defence. As a matter of fact when the speech from the throne was drawn the same careful scrutiny of the language to be used had not been given to the act, and we announced that we would recommend to parliament the appointment of an associate minister.

Mr. Browne (St. John's West): There was one small point that occurred to me with respect to the wording. It says, "such of the powers, duties and functions of the minister as may be assigned to him by the governor in council or the minister". Is that really intended to be an alternative or is it such duties as may be assigned by the governor in council and the minister? Does it mean "and/or"?

Mr. St. Laurent: I think it is intended to mean that there will be an order in council assigning certain powers and functions, and that there might be additions to that made by the minister.

Mr. Browne (St. John's West): "And/or"?

Mr. St. Laurent: And/or. Our law officers do not like the expression "and/or". They seem to feel that "or" means "and/or".

Mr. Ferguson: It seems to me the government is wasting a great deal of the time of the Canadian taxpayer in trying to create Siamese twins which they have great hopes will solve some of their problems. We all know that Siamese twins are greatly handicapped. Thousands of dollars are spent in trying to make even one of them function

properly, but here they are trying to make Siamese twins out of two ministers of national defence and the end result will be worse than the results already achieved by one minister. Why do they not make up their minds to answer the public properly, because not only members of the opposition but members of the Liberal party realize in their hearts that they have a duty to the people of Canada and to the people of the world to do their part in defending peace and preparing for war if necessary. We went into one great war short of men and munitions and the people of our country woke up to the realization that their boys and girls were going to war to be slaughtered.

The Chairman: Order. Perhaps I should tell the hon. member that the discussion now should proceed according to the standing order I quoted earlier, and it is further narrowed because of the amendment.

Mr. Ferguson: I will narrow it down to the Siamese twins. Surely the Prime Minister must realize that he is giving nothing to the public of Canada when he offers a dual ministry. If the government's intention is to do what the people want, and if they wish to give the people what they want, surely they should announce to this flabbergasted country what will be the functions of the gentleman who is to be appointed as the new minister of national defence. With the exception of the government, neither members of parliament nor anybody else will know about the duties of the newly appointed minister until some other mess is created and they realize that the welding together of the twins has not been a perfect operation.

The Chairman: Shall I put the question?

Some hon. Members: Ten o'clock.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we wil continue the consideration of Bill No. 103, tc amend the National Defence Act. Then we will take up Bill No. 102, respecting the royal style and titles. Then we will move to gc into supply and call the following departments: external affairs, transport, labour and agriculture. After calling these departments, we will take up the bills under the name of the Minister of Transport.

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

HOUSE OF COMMONS

Tuesday, February 3, 1953

The house met at 2.30 p.m.

FLOODS

DAMAGE IN THE UNITED KINGDOM, THE NETHERLANDS AND BELGIUM—ASSISTANCE TO BE PROVIDED BY CANADA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, perhaps hon. members would be interested in the information I have obtained so far about the requirements necessary to aid the victims of the terrible disasters in the United Kingdom, Belgium and The Netherlands. The Canadian Red Cross Society has been in communication with the Red Cross Society of the United Kingdom, with that of Belgium and with that of The Netherlands. It would seem that the situation in the United Kingdom and Belgium is that there is no shortage of any of the supplies required immediately to meet the emergency, but that in The Netherlands there is a shortage of clothing and bedding. Fortunately the Canadian Red Cross Society had 250 cases of such supplies in Geneva which are already on their way to the Dutch Red Cross Society. They also had forty cases of such supplies in Toronto and these are being moved immediately to be delivered to the Dutch Red Cross Society through K.L.M. air lines which had a plane just about ready to leave for The Netherlands. They feel that they will have perhaps forty cases more in the provincial commands of the Canadian Red Cross Society that can be made available almost immediately.

I also understand that the officers of our Canadian 27th brigade have been in touch with the authorities in The Netherlands and are making immediately available such engineering services as they can render which are urgently needed and are inquiring as to what other services might be made immediately available suggesting that they have mechanical transport material that could be used. Of course it would mean some interference with present training but the matter is being examined of making such services available if it will relieve any situation which has arisen there.

It occurred to me that perhaps the most effective and expeditious instrument that we Canadians could use to make our aid avai able and effective would be our ow Canadian Red Cross because of its experienc in handling such situations and its intima connections with the Red Cross societies the United Kingdom, Belgium and Th Netherlands. Perhaps the authorities of th Red Cross Society would like to set up national committee with special membersh to assist them in raising the funds, and feel from the expression of views in th house yesterday that if something of th kind were done it would be agreeable the house to accept a recommendation th the government make a substantial contr bution to the Red Cross for the special pu pose of such aid.

I think I should add that the premier Ontario was in communication with me th morning, and from our conversation I kno he would be glad if that kind of arrang ment could be set up, and that his gover ment would be glad to do its part in wh our people look upon as desirable. I ha no doubt that his good example would al be followed in our other Canadian provinc Fortunately there is no lack of food a no lack of medical supplies anywhere in t stricken areas at the present time, and think that our Red Cross Society, throu its association with the Red Cross societi of the three nations so severely tried in th disaster, will be able to point out ve rapidly what will be the kind of help th is apt to be the most effective for the victi who have suffered from these disasters. thought that members of the house wou be glad to know that no time is being l in giving as concrete an expression of o sympathy as is possible under the circu stances.

Mr. George A. Drew (Leader of t Opposition): Mr. Speaker, I simply wish join in expressing the feeling, which I a sure is shared by every hon. member of t house, that there will be agreement with a approval of the proposal by the governm to contribute to such fund as may required for this purpose. Most certainly t evidence that will be furnished in this w of the sympathy of the people of Cana will be an expression of our own sense sorrow that so many people should be suff ing in these three countries in the way t they are at this time.

Inquiries of the Ministry

STANDING ORDERS

First report of standing committee on :anding orders.—Mr. MacLean (Cape Breton orth and Victoria).

RADIO BROADCASTING

INQUIRY AS TO IDENTITY OF "MR. M.P." IN BROADCAST

On the orders of the day:

Hon. J. J. McCann (Minister of National evenue): Mr. Speaker, the hon. member for ork West asked me yesterday whether the haracter called the member of parliament n the Sunday night broadcast on the city f Ottawa, in which the mayor of Ottawa ook part, was actually a member of this ouse, and if so, was he advised of the dicule he was to be subjected to by other eakers. I am informed by the C.B.C. that ie voice in question was not that of a ember of parliament but what was said was ased on an interview with a member. The ember was informed that other persons in ie course of the program would have the pportunity of expressing views taking issue ith his.

Mr. Adamson: My point in asking the uestion, if I may say so, was that I thought iat the broadcast held members of this ouse up to ridicule. I thought it was most nfair to members of the house and I wished protest against it.

FISHERIES

REQUEST FOR EXTENSION OF HERRING SEASON, PACIFIC COAST

On the orders of the day:

Mr. J. Watson MacNaught (Parliamentary ssistant to the Minister of Fisheries): esterday the hon. member for Nanaimo ked me if the herring season in the lower st coast area of Vancouver island would extended beyond the closure date of ebruary 5. At that time I told him that n investigation was being carried out and soon as the report was received a cision would be made and announced. his morning the report arrived. From the port it appears that spawning has already mmenced in the southern portion of vanson channel and that the condition of e fish in other parts of the lower east ast area indicates that spawning will soon general. The early spawning is attributed the current unusually mild winter. In ese circumstances it was decided that the tension of the season in this district could t be granted and that the long-standing actice of protecting the fish on the spawn- g areas must be followed. Over the years such action has been of great advantage in maintaining the populations on a stable basis.

The central and northern herring fishing areas are open until the end of February. These areas would serve as a source of supply with which to fill the existing orders. From information on the stocks in previous years it can be assumed that the fish in these other areas will be in better condition and not yet approaching spawning too closely.

WHEAT

INTERNATIONAL WHEAT AGREEMENT—CANADIAN POLICY

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I have a reply to a question asked yesterday by the hon. member for Lake Centre (Mr. Diefenbaker) concerning meetings of the international wheat council which are currently in progress in Washington.

The eighth session of the council convened in London on April 17 of last year to consider the renewal of the present agreement which will expire on July 31 of this year. The meetings adjourned on May 9 with the understanding that discussions would be resumed later. The meetings now taking place in Washington are a resumption of the London talks.

The Minister of Trade and Commerce (Mr. Howe), speaking in the house on May 26 last, advised hon. members of what had transpired in London and outlined, in general terms, the position taken by the Canadian delegation at these meetings. There is nothing further that I can add at this time. As the Minister of Trade and Commerce stated to the house on May 1 last, answering a question by the hon. member for Melfort (Mr. Wright), the discussions of the wheat council are being held in camera. Only the opening statement at the plenary session received publicity.

Mr. J. G. Diefenbaker (Lake Centre): My question arose out of a statement made by Mr. Sharp, the deputy minister, and I asked whether or not Canada was joining with the United States in asking for an increase in the minimum and maximum prices. I was not asking for details; I was asking whether or not Canada was going to take that attitude.

Mr. Chevrier: My answer is contained in this statement. In effect it is that the Minister of Trade and Commerce has already put on the record of this house what the policy of the government was. Furthermore,

the statement which appeared in the press and which my hon. friend was good enough to send across to me indicates that the position taken by the Canadian delegate is not at all inconsistent with what the Minister of Trade and Commerce stated in the house.

Mr. Diefenbaker: It is pretty hard to get information.

GOVERNMENT ANNUITIES ACT

INQUIRY AS TO POSSIBLE AMENDING LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Labour (Mr. Gregg). Can the minister say whether legislation amending the Government Annuities Act, such as the legislation we had in 1951 which was not proceeded with, will be re-introduced at this session?

Hon. Milton F. Gregg (Minister of Labour): No, Mr. Speaker.

GRAIN

INTERIM PAYMENT ON 1952 CROP

On the orders of the day:

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, the hon. member for Brandon (Mr. Dinsdale) asked me if I could indicate when prairie farmers may expect interim payments on the 1952 crop. I am afraid that I am not able to so indicate. The matter of interim payments is still under active consideration and there can, of course, be no announcement.

Mr. Diefenbaker: Let us know when the next election is taking place.

BUTTER

INQUIRY AS TO GOVERNMENT POLICY

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I would like to direct a question to the Minister of Agriculture (Mr. Gardiner). Is the government withholding stocks of butter from the market for the purpose of bringing about an increase in butter prices?

Right Hon. J. G. Gardiner (Minister of Agriculture): No, Mr. Speaker.

NATIONAL DEFENCE ACT

PROVISION FOR APPOINTMENT OF ASSOCIATE MINISTER OF NATIONAL DEFENCE

The house resumed, from Monday, February 2, consideration in committee of Bill No. 103, to amend the National Defence Act—Mr. St. Laurent—Mr. Robinson in the chair.

National Defence Act

On section 1—*Associate minister.*

Mr. Knowles: Mr. Chairman, I believe that we are not only on clause 1 but there is still before the committee the amendment proposed by the Leader of the Opposition. We were also discussing, when we adjourned last night, the question of whether or not the words "or the minister" which appear in lines 11 and 12 of clause 1 should properly be in legislation of this kind. I was trying to make the point that, whether the amendment of the Leader of the Opposition is accepted or not, those words to which I have just referred should be deleted. In other words, if the amendment of the Leader of the Opposition is accepted I would contend that after it has been accepted the words "or the minister" should be deleted. Similarly, if the amendment of the Leader of the Opposition is not accepted by the majority of this house I would take the same position.

I said last night that it seems to me that all full-fledged cabinet ministers should be on the same level and that their duties and responsibilities should either be defined clearly by statute or be established by the governor in council. I cannot see the propriety or fairness to anyone who might take this appointment in saying to one minister of the cabinet that his duties are to be those assigned to him by another minister supposedly on the same level. I submit that it would be possible to offer a subamendment but there seems to me to be no point in complicating it that way. Rather I am just giving notice that after the amendment of the Leader of the Opposition has been dealt with, whichever way the house deals with it, I intend to move a further amendment to the effect that the words "or the minister" be deleted from lines 11 and 12 of clause 1.

Mr. St. Laurent: I think, Mr. Chairman, that it would be more regular and in better order if before continuing discussion on a possible subsequent amendment we disposed of the amendment that is now before the chair, without prejudice to anyone's rights with respect to the suggestion made by the hon. member for Winnipeg North Centre.

Amendment (Mr. Drew) negatived: Yeas, 47; nays, 89.

Mr. St. Laurent: Mr. Chairman, if the hon. gentleman would allow me to do so I would ask the Minister of National Defence to move that the words "or the minister" in lines 11 and 12 of clause 1 be struck out.

Mr. Claxton: I would so move, Mr. Chairman.

The Deputy Chairman: Mr. Claxton moves that the words "or the minister" be deleted from lines 11 and 12 of clause 1.

Mr. Wright: I should like to ask a question based on this deletion. Will the Prime Minister give us the assurance that the government will, by order in council, clearly define the duties of the associate minister so that parliament itself will have knowledge of what his duties are.

Mr. St. Laurent: I will give the committee the assurance that the governor in council, when the act comes into force, will provide, as was provided in the statute of 1940, that the associate minister be entitled to exercise all the powers of the Minister of National Defence, including those defined by this act, except such as the governor in council otherwise directs—or words to that effect. I am not guaranteeing that the language will be the same. The intention is, however, to make a general order that the associate minister shall be entitled to exercise all the powers of the minister, unless and until otherwise directed by the governor in council.

Amendment agreed to.

Mr. Knowles: Before section 1 as amended carries, there are one or two other questions I should like to ask. Perhaps we are on such good terms today that a suggestion I shall make will be accepted by the government.

Mr. St. Laurent: It depends upon the merit of the suggestion and not upon the terms that now exist.

Mr. Knowles: The suggestion which I have to make is one the merit of which the Prime Minister has already endorsed some time ago. The question I have in mind is one which we have raised when we have had other bills before us appointing new ministers to the cabinet, namely, the technical question concerning the authority for paying the tax-free $2,000 car allowance to cabinet ministers. As the Prime Minister and the committee are aware, there is no reference to that item in the section now before us. It provides only for the salary of $10,000 a year. Those who have followed this matter realize that an item in the Appropriation Act of 1931, I believe it was, provided in that year for a car allowance to each cabinet minister in the amount of $2,000.

On previous occasions we have discussed the merits of relying on that item. It still perplexes me, but I know that the authorities have ruled it is proper to rely on that item and to continue paying the $2,000 for this purpose each year. My point is that that was an appropriation act for that particular year which voted a precise sum of money which was spent that year but has since been spent over and over again. It is treated by the financial people, however, as a continuing item. I believe it is fair to say that the Prime Minister agreed with me when I raised the point on an earlier occasion, and said it was one of the things that might well be tidied up. I believe that is the very phrase the Prime Minister used. On subsequent occasions I have asked if this bit of tidying up had been dealt with, and the answer so far has been in the negative.

I would point out that we are about to receive, some time this spring we hope, the new Revised Statutes of Canada, 1952. I have not seen them, but it would be my guess that the Appropriation Act of 1931 is not brought forward in the revised statutes of 1952. In general terms the revised statutes of 1952 will be the law of the country from that time forward. In this instance the government will be going back beyond these revised statutes to that old Appropriation Act of 1931 for the purpose of paying this item. It does seem to me that it should be put on a better basis.

I am not arguing now about the question of the amount being paid. I am arguing about the way in which it is being handled. If it is going to be regarded as a statutory item, it seems to me it ought to be put in the Salaries Act or in the acts setting up the various departments and appointing the ministers, rather than relying on that item in the Appropriation Act of 1931. As I say, I have no desire to argue this back and forth. I think it has already been recognized between us that it is being done, and the Auditor General and others do not quarrel with the legality of the manner in which it is done. The Prime Minister has admitted it is a point that should be tidied up. Is it not about time that the tidying up was effected?

Mr. St. Laurent: I said to the hon. gentleman that it would depend upon the merit of the suggestion as to whether or not we could accept it, and not upon the immediate precedent that had been set this afternoon. The government is advised by the law officers of the crown that what is in existence is sufficient to take care of the point. While they so advise, it has not been felt necessary to do any tidying up that might be the occasion of a very untidy debate in the house.

Mr. Knowles: One of my legal advisers here suggests that we move an amendment, but I am afraid any amendment of that kind would be out of order. I suggest, as opposed

to the advice from the law officers of the crown upon which the Prime Minister now relies, that the Auditor General has called attention to this matter in the way that he calls attention to matters. He cannot say that things are illegal or poor policy; he just calls attention to them. I believe the very fact that he has called attention to this item as one which has been practised too long is an indication that it might well be tidied up and attention should be paid to that by this government.

In this same vein, Mr. Chairman, I should like to point out something else that amazed me. We received this bill only a short time ago. It was given first reading in the house on January 22, and given second reading only yesterday. It still has not passed this house, and it still has not passed the other place. It still has not become law. Yet I find in the estimates that were tabled in this house some time ago, and printed longer ago than that, an item of $12,000 for the salary and motor car allowance of the Associate Minister of National Defence. It appears on page 39 of the estimates. Out in the left-hand column is that capital "S" which indicates it is a statutory item.

I know the Prime Minister does not like it if we make a suggestion that government legislation receives automatically the approval of the majority of this house, but how is it explained that before the statute is passed providing for this salary it appears in the printed book of estimates labelled as a statutory item?

Mr. St. Laurent: Because it is being proposed that it be included in the estimates as a statutory item, and unless it has become so it will have to be struck out. The recommendations have to be made for the maximum amount for which parliament is asked to make appropriations. Parliament can reduce the estimates submitted, but cannot increase them after they have been submitted with the message from the Governor General. If at that time there is no provision that would justify the inclusion of the item as statutory, it will have to be struck out.

Mr. Knowles: The item in question is not included in the estimates that this house is called upon to vote. When we get the Appropriation Act some time before the end of the session or next session, whenever we get it, it will be based on these items and will include only the items that the house is being asked to vote. This item will not be there. It is just furnished here for information. My complaint is that the book of estimates lists the item as though it was an established fact that it is a statutory item before it has become part of the statutes of Canada.

Section as amended agreed to.

On section 2—*Associate minister.*

Mr. St. Laurent: With respect to clause 2 Mr. Chairman, I would ask my colleague the Minister of National Defence to move the same amendment as was moved with respect to clause 1. It would be for the deletion of the words "or the minister" in lines 24 and 25.

Mr. Claxton moved:

That the words "or the minister" be deleted from lines 24 and 25 of clause 2.

Mr. Drew: Mr. Chairman, there is no occasion to deal further with this section because the wording is precisely the same as that of section 1. In refraining from further comment on this matter, I do so only because the discussion has been directed to wording which is precisely similar. May I say, however, that the adoption of the motion with regard to the earlier section, and which almost makes it essential that this section be similar, in no way disposes of the question that has been before us.

The Prime Minister has spoken about the fact that in attempting to tidy something up we might produce an untidy result. Here in the House of Commons we have had a chance to do something to tidy up an extremely untidy department of government. That opportunity is being missed. We are proceeding in an unsatisfactory way, as a result of the majority vote, to deal with a serious situation. It is now apparent that the government has decided to proceed with that and that further debate on detail will not produce any effective changes. We therefore can only accept the situation from that point of view.

Amendment agreed to.

Section as amended agreed to.

Section 3 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Mr. St. Laurent: Next sitting of the house.

THE ROYAL STYLE AND TITLES ACT

CHANGE IN FORM OF TITLES FOR USE IN CANADA

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 102, respecting the royal style and title

Motion agreed to, bill read the second time nd the house went into committee thereon, Mr. Robinson in the chair.

Mr. Diefenbaker: Will the Prime Minister nake a statement?

Mr. St. Laurent: Mr. Chairman, this is a ill that I consider to be of great importance nd I think that it should receive attentive nd serious consideration by every hon. nember. Section 1 of the bill is to provide hat the assent of this parliament is given o the issue by Her Majesty of a proclamation stablishing for use for Canada the royal tyle and title set out:

> Elizabeth the Second, by the Grace of God of the nited Kingdom, Canada and Her other Realms nd Territories Queen, Head of the Commonwealth, efender of the Faith.

That is the text that was agreed to at ne prime ministers' conference held in ondon last December. There was a general esire to have the royal style and title accord vith the constitutional position of the various nembers of the commonwealth and to have , in so far as might meet the conditions f the various members of the common- vealth, as uniform as possible.

With respect to some members of the ommonwealth there was some difficulty. or instance, with respect to Pakistan it was ound that the form that would be acceptable o the people of the United Kingdom would e apt to create difficulties with the popula- on of Pakistan. It was also found that ich was the case with respect to the popu- ation of the Union of South Africa. With espect to Australia, New Zealand and anada an effort was made to agree upon ne acceptance of a form that would be uni- orm—with the exception of the use of the ame of the country—in each one. That as finally agreed upon and there was agree- ent—I will not say at whose suggestion; think it was almost simultaneously sug- ested by the representatives of the three ountries, Canada, Australia and New Zea- nd—that it would be desirable to retain the style and title as used in our countries omething that would indicate that it was ne sovereign of the United Kingdom who as recognized as the sovereign of our ountries, and that it would be preferable o have that indication appear in the royal yle and title rather than to have it merely ame each one of our respective countries nd to have all the rest of the common- ealth described as the Queen's other realms nd territories.

It seems to me that that is in accord with ne historical development of our constitu- onal relations. Her Majesty is now the ueen of Canada but she is the Queen of Canada because she is the Queen of the United Kingdom and because the people of Canada are happy to recognize as their sovereign the person who is the sovereign of the United Kingdom. It is not a separate office. It is the recognition of the traditional development of our institutions; that our parliament is headed by the sovereign; and that it is the sovereign who is recognized as the sovereign of the United Kingdom who is our sovereign and who is loyally and, I may say, affectionately recognized as the sovereign of our country. We all felt that it was desirable to have that recognition retained in the title as a proclamation of the historical, traditional link between this country and the United Kingdom; and the same feelings were entertained by the other two prime ministers with respect to their countries.

The question then arose whether it would be proper to have in the title we would use the traditional words, "by the grace of God", sovereign. We felt that our people did recognize that the affairs of this world were not determined exclusively by the volition of men and women; that they were determined by men and women as agents for a supreme authority; and that it was by the grace of that supreme authority that we were privileged to have such a person as our sovereign. Then perhaps the rather more delicate question arose about the retention of the words "defender of the faith". In England there is an established church. In our countries there are no established churches but in our countries there are people who have faith in the direction of human affairs by an all-wise Providence; and we felt that it was a good thing that the civil authorities would proclaim that their organization is such that it is a defence of the continued beliefs in a supreme power that orders the affairs of mere men, and that there could be no reasonable objection from anyone who believed in the Supreme Being in having the sovereign, the head of the civil authority, described as a believer in and a defender of the faith in a supreme ruler.

I trust and hope that those views which were shared in this conference will appear as reasonable views to hon. members. The procedure that was discussed was that we would each of us ask our parliaments to acquiesce in the issue of proclamations by Her Majesty herself. It is Her Majesty who will determine, who will announce by proclamation what her royal style and title will be for each one of the several realms of the commonwealth. It is hoped that these proclamations may be issued simultaneously in the

various realms of the commonwealth and in the other parts of the commonwealth that recognize Her Majesty not as their Queen but as the head of the commonwealth.

The developments of modern times have been that the sovereign does not exercise the royal prerogative that has come down through the centuries without being sure of the acquiescence of parliament. And it is for the purpose of expressing in advance that our parliament will acquiesce in such a proclamation that this bill is now before the house.

In going over the elements of the royal style and title I made no special reference to the head of the commonwealth. I think it is fortunate that in spite of local situations that appear to make it necessary for the most populous part of the commonwealth no longer to recognize the sovereign of the United Kingdom as the sovereign of its state, but felt that it was necessary for it to adopt a republican form of government with a president as the head of the state, nevertheless it wished to maintain the close relationship with the other members of the commonwealth and remain in the commonwealth.

I think that the real links between the various members of the commonwealth are their common ideals, their memories of association in the past, their intimate conviction that that association in the past has been for the benefit of their people, and their desire to conserve that association in the future for the benefit of their people. I do not think that we are being presumptuous or conceited when we believe, and even when we express the belief, that this commonwealth group not only works for the benefit of its own peoples but is an effective instrument for the good of free mankind throughout the whole world.

I know that my predecessor had an influential part in the decision that was reached that, in spite of the fact that the situation in India required the constitution of a republic for that great country, India would remain a part of the commonwealth. I think that the influence he exercised at that time was in the right direction and that the result was something beneficial to us, beneficial to India and also beneficial to free men throughout the world, and that the conservation and development of that feeling of common ideals, common purposes between the great Republic of India and the other members of the British commonwealth will continue to be of service to free mankind. And it is I think something for which the realistic genius of the British people has reason to be proud, that it can accommodate itself to the requirements of new situations in the lives of men and can conserve the essentials without having to conserve forms that to some appear to hav become so outmoded that they can no longe be accepted. I think it is a magnificent thin that the peoples of India and the people of the Occident can look upon each othe as human beings equal in every respect; an I was not going beyond what the fac requires when I said in Ottawa to Mr. Nehr that we hoped and trusted that in spite o the many more centuries of their socia experience and civilization there would neve be any indication by their own people tha they looked down upon us as their inferiors and that I hoped and trusted that in spit of our rapid development of industrial pro cesses and industrial know-how there woul never be any feeling among the people o India that we thought that because of tha we were human beings in any way superio to the millions who inhabited their country

We all know from our own Canadia experience that unity between us, unit between all the elements of our population is and must be based upon that recognitio by us all that we are all equal to each othe and that all have the same rights to Canadia citizenship, and that Canadian citizenshi gives us equality in every respect with al our fellow citizens, whatever their origin their traditions and their cultures may be It is because our forefathers had the wisdon to recognize that it was not going to be neces sary in this Canadian nation to pour all th elements into the same mould that we nov have a Canadian nation.

We are all proud of being Canadian citi zens because we can be so and can exercis all our rights as such without forgetting ou racial origins, our ancestral traditions, an without there being any effort by any of ou fellow citizens to make us over into any othe kind of Canadian than we happen to b because of our racial origins and with ou ancestral traditions.

That is also something which is now work ing out in this commonwealth of free peoples I think it is a solid foundation upon whic there can develop and rest equal pride of al of us in our allegiance to a common sover eign. There are those of us who recogniz the sovereign of the United Kingdom as ou own sovereign. There is a common loyalt between us and the group of which tha sovereign is the head only as the head of th commonwealth because in their countries th situation that exists does not make it con venient to have a monarchical form of con stitutional set-up.

I believe firmly that what we are doing her today and what others are doing in thei respective parliaments will further that idea

of unity of purpose and desire to co-operate that characterizes us at this time and which was so touchingly evident at the meeting of prime ministers which it was my privilege to attend a month and a half ago in the city of London.

Mr. Diefenbaker: Mr. Chairman, it was a most moving address to which we have just listened. It is evidence of the strength of the parliamentary system that while we may be separated in smaller things, in respect to our system of government and to the unity that is provided by the crown there is no division, there is no diversity of opinion, there is but a common devotion. It is on occasions like this that parliament rises to its greatest heights. As we listened to the Prime Minister without regard to party considerations this parliament became cathedral in devotion to our history, to our heritage and to our common pursuit of freedom.

As I listened to the Prime Minister referring to the diversity of the membership within the commonwealth, and in particular to the rather anomalous position of India, I could not help but remember that events of the last few years have established clearly that while India, becoming a member in the circumstances under which she did, seemed in essence to destroy the power of this commonwealth, it has really meant its strengthening and has given to the commonwealth a representation in Asia that may well stand as a rampart against the advance of communism which would destroy the system in which we believe.

The change in the Queen's title is an event of great importance. Parliament assumes the responsibility of approving or disapproving the title suggested by the prime ministers' meeting in London. The reason for this dates back to the imperial conference of 1930 when the various members of the British commonwealth decided that the assent of the parliaments of all the dominions, as well as of the parliament of the United Kingdom, was required in order to change the name.

The royal style and title has been changed through the ages as the concept of government has changed. Parliament walks with history in the changes that have taken place. The title of the first sovereign of the United Kingdom was King of the English, which was established by King Egbert in the ninth century. There was a further change a thousand years ago by King Athelstan when he adopted the title King of Britain. Henry VIII added Defender of the Faith. There were no changes then for several centuries until in 1800, when the act of union with Ireland made necessary a change in the title of the British sovereign.

It is of interest to recall that for more than three hundred years the sovereign bore the title not only of Defender of the Faith but also of King of France. It was not until 152 years ago that the British sovereigns altered their royal style and title in that regard and removed, from the British coat of arms, the arms of France.

The next change, as I remember my history, was in the 1870's when India became an empire within the British empire. In 1901 the royal title was changed in order to include the British dominions beyond the seas. Then in 1927 a further change took place when Ireland withdrew and an alteration was made in the title to cover that situation.

So the changes have taken place. One of the most moving things about these changes is the fact that the title of every British monarch has never been a boastful one, or one of pomp in words. That is one of the abiding things of the title now established, its freedom from anything in the nature of boastful pride. It is simple, moving and direct.

Freedom owes much to the British monarchy. When one indulges in the "ifs" of history it makes one wonder what might have happened to freedom in the world had Cromwell succeeded in forever abolishing the British monarchy. Had he done so there would never have been the British commonwealth or the commonwealth as it is known now, for it would have been impossible to bind together the various races and religions in all parts of the world but for the centralizing mystic influence of the crown. The commonwealth typifies unity in diversity. Was there ever a more anomalous condition of affairs than this crown with its symbolism, the queen of each of the various parts of the commonwealth, indivisible yet divisible? Yet that very anomaly permits of constitutional flexibility permitting of a living, vital organism in constitutional and parliamentary development.

The Prime Minister spoke of the meaning of our citizenship. One of the major reasons that I wanted to come to parliament was that I wanted to do my part to assure within this country a Canadian feeling that would deny a hyphenated citizenship while at the same time maintaining pride in the racial origin of one's father and one's mother. The first speech I made in parliament was to that effect, urging equality of Canadians regardless of race, and I expressed the hope that those who served in two world wars would have the right to be in days of peace what

they were in war, namely to be Canadians without any hyphenate consideration whatsoever. Their pride in war was on their shoulder strap—"Canada".

We are building that type of Canada. Year by year we are building in stronger unity. We in Canada represent something that the world must ultimately attain, a realization that it is not one's surname that makes for citizenship, but service and devotion to the public cause. We are building in unity and we are denying discrimination based on race or creed. What we are doing here has within it the elements of what is necessary to be achieved in the world.

Communism, some say, marches on an empty stomach, but communism also marches because all of us have been guilty too often of the practice of the luxury of mental discrimination against those who belong to other races. As communism marches, one of the greatest bulwarks against it is the fact that we within this commonwealth spread all over the world have practised and are practising in ever widening measure our belief in the sacredness of the human personality and the equality of all without regard to race. Asia is in a desperate situation as she faces the forces of communism; but if the concept of the commonwealth, which has now been proven to be the right one, can be grasped by the minds of the coloured races everywhere, the commonwealth shall indeed have greater days in the future than in all its glorious history.

It is not in the name or title of the sovereign, it is not in title that the strength of our country within the commonwealth consists. It is not in constitutions, not in unification under a central authority that the commonwealth is strong and vital, but it is in that relationship of heart and soul to which the Prime Minister referred as having been characteristic of the last meeting of the prime ministers in London.

I want to see the commonwealth strengthened in heart and soul. In the last few days we have shown what our attitude is not only to the people of Britain but also to the people of Holland and Belgium whence many of our citizens have come. The members of the commonwealth are united in their devotion to freedom. Each realizes that each is indeed each other's keeper, each is filled with pride in our heritage in this year of the coronation and the formal dedication of Her Majesty to the service of her peoples everywhere.

I pass this on to the Prime Minister through you, sir, as an idea that I have embraced, and I ask him whether it would not be in accordance with our history and our traditions and the concepts inherent in the recent developments of commonwealth relations that we should make Her Majesty acquainted with the fact that we as her subjects in Canada would like to see her consort, Prince Philip, the Duke of Edinburgh, created a prince of the commonwealth to bind us together ever closer in heart and soul and to have in him as in her a link with all parts of the commonwealth.

Mr. Knowles: Mr. Chairman, as the Prime Minister has indicated, this bill, though a very short one, is very important. It not only deals with Her Majesty's royal style and titles, but it is a bill which is symbolic in a number of ways. One of the most interesting points of symbolism in it, as I see it, is the fact that we in parliament have the privilege and are called upon to deal with a measure of this kind. The fact that we are dealing with this bill symbolizes the strength of our nation and of the commonwealth of which we are a part. It also symbolizes the strength of our parliamentary institutions, and the capacity of our form of government for growth and development. The hon. member for Lake Centre has already referred to that. I should like to underline what he said and to add something that I think is appropriate on this occasion by saying how grateful I believe most Canadians are that we have the parliamentary form of government which we inherited from the United Kingdom.

To me the most important and significant aspect of the parliamentary form of government is the fact that we have the executive branch of the government here on the floor of parliament with the rest of us who represent the people of the constituencies of this country. Obviously I have in mind the fact that in some countries there are other forms of government where the executive is apart from the elected representatives of the people. We on the floor of parliament have many a quarrel with the executive, and we shall no doubt continue to have these quarrels. Nevertheless, my point is that it is a matter of great satisfaction to us, and it is a matter of great significance to the people of Canada, that we have the executive here on the floor of parliament, where we can get at the heads of the various departments of government and where they must accept their responsibility to parliament.

So, Mr. Chairman, as I say, this bill is one that has symbolism in that it goes beyond the subject matter that is covered in the actual terms of the clauses now before us. We should on occasions such as this remind ourselves of the privilege that is ours of having inherited the parliamentary system

of government; and the privilege that is ours of being part of this great commonwealth of nations, the unity of which is symbolized by Her Majesty, for whom our people have such respect and affection.

I am sure the Prime Minister caught the mood of this House of Commons when he spoke as he did in introducing this measure. That applies to what he said as to our relations with the crown; and I am sure, too, that we are all in complete agreement with the way in which the Prime Minister devoted a good part of his remarks to the question of India and of the special place that realm holds in the commonwealth of nations. It is not only a matter of pride to the rest of us in the commonwealth that India is a member of this family, but I think it is very true to say that the way in which the relationships between the United Kingdom and India were handled—and there is particular credit coming to the government that was in power at the time India was given her independence —may have made a real contribution to the peace of the world. Indeed, I am satisfied that in decades yet to come historians will look back and say that that was one of the most important incidents in relations between east and west, namely the way in which arrangements were made so that the countries of India, Pakistan and Ceylon might withdraw from the former arrangement and yet still be members of this family of nations which we know as the commonwealth.

So, Mr. Chairman, as I say, we are not only celebrating on this occasion the strength of the parliamentary institutions which we enjoy; we are celebrating the moral strength of the commonwealth to which we belong, and which we believe may yet play an even greater part in spreading peace and human accord throughout the world.

While I am commenting on the matter there are one or two other thoughts that occur to me which perhaps I might mention in this connection. It so happened that at 2.30 this afternoon when His Honour the Speaker was leading the house in the usual prayer with which the sitting is opened, my thoughts followed exactly the line of those of a colleague of mine who sits near me. We happened to compare notes afterwards and both of us were of the opinion, and it does seem to fit in at this time when changes are being made in the royal style and titles, that there are some phrases in the prayer that is used to open the daily session of the house that might likewise be altered.

I have looked in Beauchesne and I find that there was a committee appointed away back in 1877 to consider and report upon the desirability of using a form of prayer in this chamber. I do not know whether that form has been changed at any time since, except to substitute the names of the new sovereigns. What occurred to us in particular was the continuing use of the phrase "may she vanquish all her enemies".

A few minutes ago the member for Lake Centre said in very appropriate language, I thought, that the title of the sovereign has never been a boastful one. A few other words which I took down earlier were those of the Prime Minister when he said that the commonwealth is in his view an effective instrument for the good of free mankind throughout the whole world.

It seems to me that these words to which I have just referred, and which are still uttered in the prayer every day, are not in keeping with the attitude taken by the United Kingdom, by Canada or by other members of this commonwealth. Our desire today is not to "vanquish enemies"; our desire today is to make friends out of enemies and to build a world of peace and human accord the world around.

I do not propose it as something which needs to be attended to overnight but I would hope that thought might be given to considering the language of that prayer and bringing it more into line with the spirit and aims—in terms of peace and human brotherhood—that characterize the various nations of this commonwealth.

Mr. St. Laurent: Perhaps the hon. member, who I understand is a member of the committee which we have just set up to consider the rules of the house, would ask his colleagues on the committee to consider the matter which he has just been dealing with; and I am sure a recommendation of that committee would also receive very careful consideration from the house.

Mr. Knowles: I thank the Prime Minister. I had it in mind but I am glad he made the suggestion first, for reasons that are obvious.

Another thought that occurred to me, particularly while the member for Lake Centre was speaking, concerns a matter that was raised the other day by the hon. member for Cartier, who I think was paying particular attention to the remarks of the hon. member for Lake Centre when he referred to equality of our citizenship. I do not wish to interject into this debate any unkind remarks or unduly critical remarks toward any one section or part of our country, so I will just leave it at that. The matter is on the record in the terms used by the hon. member for Cartier the other day, but I will say that, at a time when we are celebrating the strength of our parliamentary set-up and our democratic way,

together with the strength of our citizenship being equal throughout the various nations of the commonwealth, we should stand on guard against any moves in our own country that would bring about any discrimination or any difference between one citizen and another. I am glad to note, Mr. Chairman, the support which the Prime Minister gives to me in that plea as well.

There is one other suggestion that I make at this time. It may not meet with the same unanimity that some of my other suggestions have been accorded today, nevertheless I think it would be the view of a great many people if not the majority of the people of this country. This bill arises naturally because we have a new sovereign in the person of Elizabeth II, whose recent visit to this country was enjoyed by all our people, and because of her forthcoming coronation, in which there is great interest throughout this country. So far as I can ascertain, when the various countries of the commonwealth are represented at the coronation ceremonies by the prime ministers and other heads of our various states, all other parts of the commonwealth except Canada will go there with a distinctive flag. It seems to me that it is a bit of a liability that our nation will suffer that lack. I know that to propose at this session of parliament, between now and June 2, that we should decide on a distinctive national flag would mean that there would have to be a committee set up, thousands of designs submitted, and we would have to go all through what we have been through before.

An hon. Member: You would not get anywhere.

Mr. Knowles: I hear one of my Tory friends say we would not get anywhere, but I would ask even those who would not agree with me on this point to consider rather strongly the situation that will obtain in London when Australia, New Zealand, South Africa, India, Pakistan, and all the rest, are present each with a distinctive flag—yet there will be no flag that stands specifically for Canada. Even if it is only on a temporary basis I suggest that something should be done about it. There flies from the peace tower of this very building, and has for a number of years, a flag which has in the upper lefthand corner the union jack. It is what is commonly known as the Canadian ensign. I believe it flies there because of an order in council which was passed some years ago designating that flag for that particular purpose. The suggestion I make—is the Prime Minister disagreeing?

Mr. St. Laurent: The order in council designated that flag as the flag to be flown wherever other nations would be flying a distinctive national flag. It is flown not only here on the parliament buildings but on all the public buildings in Canada and all the Canadian embassies or offices abroad.

Mr. Knowles: Perhaps the point I am making is met. Perhaps that order in council is wide enough to cover the suggestion I am making, namely, that when the Prime Minister and other representatives of Canada go to the coronation, if any flags are being flown there should be a distinctive flag for Canada.

Mr. St. Laurent: The order in council is broad enough to have induced the government of the United Kingdom to have this flag flown on the Dorchester hotel in London whenever it is receiving a Canadian delegation as guests of the government in that hotel.

Mr. Knowles: I am very pleased to learn that my request has at least brought out the information the Prime Minister is now giving. I am very glad that some progress has been made in connection with this matter. I hope that it will not be too long until, like other members of this family of nations, we will have our own distinctive flag.

Other thoughts occur to one, Mr. Chairman, but perhaps that is enough for this occasion. On behalf of this group I simply say we are glad that we have the kind of set-up in which it is parliament's right to deal with legislation of this kind. We welcome this opportunity to reaffirm our faith in the democratic way of life which is part and parcel of our association with the commonwealth. We welcome this opportunity to reaffirm our belief in our parliamentary system of government as the one most suited to our needs. We hope that as time goes on the needs of our people will be even better served by that form of government.

Mr. Low: This bill, Mr. Chairman, is indeed one which should be given the most earnest consideration by every member of the committee. At this time I am glad to be able to add just a word to the eloquent addresses delivered here this afternoon in connection with the proposal concerning the royal style and titles. I compliment the Prime Minister upon the very high tone of his address. I enjoyed it. It sets a mood on a high level, and certainly I am going to do nothing to detract from that high level.

It makes little or no difference, it seems, what elements are used to constitute the title of Her Majesty the Queen so long as those elements do indeed portray accurately the present relationship between the sovereign and the different parts of the commonwealth. It seems to me that those that are

outlined in section 1 of the bill do just that. As a consequence we are quite content to accept them and to use them in the future.

Our concern, as the hon. member for Lake Centre has so well said, is not so much with the words used as to see that our acts, deeds, thoughts and attitudes would uphold and sustain through the ages the purposes, ideals, character and traditions that have reached such a high level in the commonwealth over the centuries. I hope that those things will remain unchanged, and that nothing we do will at any time mar them or cause them to be less than the superlative heights to which they have risen in the past. I believe, Mr. Chairman, that I can say without any doubt or without any successful contradiction that we in this house all love our commonwealth. Many of us have looked upon it as the nation or the company of nations that has been described in various places in the Scriptures. We love the commonwealth not only for what it is but because we believe that it can yet be the greatest force in the world for peace. We believe that, particularly at this time when the world is in such danger from subversive forces like communism.

It seems to me there is one thing we would need to keep in mind if we are going to make the commonwealth the great force that we want it to be, and that is the warning that was uttered by Rudyard Kipling, the one-time poet laureate. It is contained in a verse from the Recessional, and it is a stanza that is not often seen these days. I do not know why, but it is not often seen. In that stanza he said, speaking of the members of the commonwealth:

> If, drunk with sight of power, we loose
> Wild tongues that have not Thee in awe,
> Such boastings as the Gentiles use,
> Or lesser breeds without the Law—
> Lord God of Hosts, be with us yet,
> Lest we forget—lest we forget!

I am satisfied, Mr. Chairman, that our commonwealth has a tremendous destiny yet to fulfil. It will fulfil that destiny, provided we always keep in mind the humility the poet had in mind when he penned those lines. On behalf of the group I represent, Mr. Chairman, I am happy to join with the Prime Minister and those who have spoken in expressing our gratitude for our membership in the commonwealth, for our citizenship in this great land, and for our great and noble sovereign. We agree with the wording of the style and title as set out in this bill.

Mr. Crestohl: Mr. Chairman, we were all emotionally stirred by the doctrines so magnificently enunciated by the Prime Minister. I cannot resist emphasizing most respectfully the remarkable nobility of his language. I should like to paraphrase his thoughts into these three doctrines. We are all equal children of one God. We are all equal and loyal subjects of one beloved sovereign. We are all equal and loyal citizens of one country, and all these are we, Mr. Chairman, irrespective of race, colour and religion, to the glory of this great country.

(Translation):

Mr. Macdonnell (Greenwood): Mr. Chairman, I wish to add a few words. I rejoice at the fact that there are no differences of opinion between us as far as the crown is concerned. The crown is a symbol of the unity which we all desire, without exception. I am confident that the bonds of unity will become stronger and more sincere because of everyone's attachment for such a young, beautiful and gracious Queen.

(Text):

Mr. Drew: Mr. Chairman, it is not my intention to extend the discussion of this measure beyond adding one or two thoughts to those which have already been expressed. As has been said already, it is not so much the name or the title as the reality that is of concern to every one of us. We have had deep and convincing evidences of that reality in the uniform expression of affection, regard and loyalty that came from every part of Canada at the time our present Queen came to the throne last year under such tragic circumstances. We have had further evidences of that reality in the manner in which the people of Canada now join in welcoming the coronation of this young lady as the living embodiment of those decencies that are represented in the occupation of that throne. The reality is one of respect for the great traditions which were never greater than they are today. The reality is one of loyalty and affection for an institution that has come to mean so much to us and to the whole free world. It is in institutions of this kind that the hope of people now enslaved depends in a great measure at this hour.

We might differ as to the exact wording that would best express our own thoughts as to this remarkable association, but it is recognized by hon. members of this house that the measure now before us interprets that agreement which the Prime Minister has described as resulting from the discussions which took place in London last December. That agreement having been reached and the new titles having been announced, there would seem to be little advantage to be gained in seeking to redefine what is not so much a matter of definition as rather one of affection, respect and loyalty.

For that reason it is not my thought to deal with any of those discussions which

doubtless took place at the time the prime ministers met last December. Undoubtedly the different names and titles that might be in our minds today were before them. Agreement was reached, and to us that agreement is a matter of great importance at this time. I am sure that we all join with the Prime Minister, the hon. member for Lake Centre and the others who have spoken in recalling with real sentiments of satisfaction the fact that the great nation of India, with the second largest population of any nation in the world, has seen fit to continue the association of that great and historic people with the other nations which make up the commonwealth. So also has the nation of Pakistan, with a population more than six times that of Canada, decided to continue that association under these new terms.

Whether we might have felt some measure of satisfaction if other names and titles had been chosen, the reality remains that India and Pakistan as well as all the other nations of the commonwealth have continued as members of this great fellowship of free people; and to every one of us today that is the most important fact before us. If, out of that measure of common agreement which has been reached, the foundation has been laid for a continuing association of a similar type of democracy in Asia, in Europe, in North America and in Australasia, then undoubtedly one of the greatest achievements in all history will have been accomplished. I should think that nothing could offer a better example to the rest of the peoples than to see India, Pakistan and the other nations and territories of Asia joining with us in this ancient fellowship at this time under whatever names and titles may be chosen. For us the reality—the Queen—which is expressed in these terms is the reality we wish to preserve.

There is only one thought I would wish to add to what has already been said. On an earlier occasion, shortly after the present Queen had visited us as Princess Elizabeth, I placed before the Prime Minister and the members of this house the suggestion that consideration be given to introducing the appropriate legislative enactment which would declare that she is a citizen of Canada. Now that she is the Queen of Canada, as has been pointed out by the Prime Minister, I repeat that suggestion. While it would not seem that it would be a part of the measure now before us, I urge that as a symbolism of her special relationship to the Canadian people as the Queen of Canada there be, in the Canadian Citizenship Act or elsewhere, a declaration which will place before our people the fact that, in the acceptance of that title, she is a Canadian citizen enjoying all the rights, privileges and other associations that go with that name.

I should think that to those people of other lands who have come here who have chosen to become Canadians and who accept their citizenship with pride, it would be an added symbolism of the greatness of that citizenship if they knew that they shared that common citizenship with the Queen of Canada, the Queen of the commonwealth.

Mr. Pearson: Mr. Chairman, I should like to add a few words to this discussion which if I may say so, has been carried on at such a high level and which evokes in us a sense of history, a sense of constitutional development and indeed a realization of the continuity of our history and the depth of its roots.

The bill before the house deals with the royal style and titles, and I should like to say a few words about it, Mr. Chairman against the background of our constitutional development. It is a long time between the date which the hon. member for Lake Centre mentioned, the date when King Egbert, I think it was, in the ninth century proclaimed himself as king of the English—and 1953 when we are by this bill approving of a royal style and title for Her Majesty as Queen of Canada and head of the commonwealth—head indeed of the peoples of the commonwealth. During that long interval from 828 there have been very many changes in the royal style and titles. In feudal times the personal relation between the monarch and his people tended to give way to the power which he exercised over the land under his domain and his titles changed accordingly. In later years, as the hereditary rights of kings lapsed, there has evolved the practice of defining the title by an amendment of the parliament in London. Still later, when the overseas possessions of the crown began to take on greater importance the ministers of the crown in London adopted the practice of consulting, through the colonial governors, with the ministers of the various colonies, before making changes in the title.

By 1926 the royal style and titles had become one of the subjects for discussion at the periodic commonwealth conferences which were held in London, and the title has changed since then, as has been pointed out this afternoon, as a result of decisions reached at those conferences. After the Statute of Westminster, as has been pointed out by the hon. member for Lake Centre not only were the members of the commonwealth consulted on proposed changes but the subsequent assent of their parliaments was required to make such changes effective.

The bill before the house, which is one of such importance, in a sense fulfils the ambition of Sir John A. Macdonald that Canada should be recognized as a kingdom. Students of Canadian history are familiar with his efforts at the London conference of 1866-67 to persuade the British government of that day to agree that the country, to be formed by the union of the provinces of Canada, Nova Scotia and New Brunswick, should bear the title "Kingdom of Canada." At that time relations between the United States and the United Kingdom were not as solidly based on good understanding and cooperation as they are at the present time. Because of the strong tide of republicanism in the United States, born I suppose of the struggle for independence against a monarchy, the view in London and of the home government was that it would not be wise unnecessarily to offend that feeling by allowing the new Canadian federation to call itself a kingdom, a designation which it was thought, and possibly with some justice, might have stirred up deep antagonism in the United States. Nevertheless, it is interesting to recall that Sir John A. Macdonald, who did not give up easily, continued to press for the adoption of the word "kingdom" right up until the final draft of the British North America Act. The earlier drafts of January and February, 1867, produced at the London conference, do indeed bear witness to his tenacity on this point. There is I understand a draft of the British North America Act in the handwriting of Sir John A. Macdonald which, from internal evidence, appears to be earlier than any of the drafts actually considered at the conference. In this draft, in what I believe is his handwriting, the word "kingdom" is used throughout, and scribbled on the margin of it are the following alternatives—in case there had to be a choice from many: "Province, dependency, colony, dominion, vice-royalty and kingdom." Obviously Sir John had been turning these over in his mind and had concluded that "kingdom" was the word—and he used it throughout the draft—that would be the most fitting appellation for the new state which he and his colleagues were striving to establish in British North America.

In the meantime the law officers of the crown, apparently unaware of the views of Sir John himself, had been at work on their draft of the bill, and on January 23, 1867, they placed that draft before the conference. It provided that the provinces of British North America should be united, and I quote from it now words familiar to all of us: "into one colony with such name as Her Majesty thinks fit." Well, the word "colony" in that draft from the law officers of the crown found no favour with the delegates of British North America and they substituted the word "dominion" for it. Thus the draft of February 2, 1867, provided, and I quote from it: "The said provinces . . . shall form and be one united dominion under the name of the kingdom of Canada." It is interesting to note, Mr. Chairman, that in this draft the word "dominion" was not introduced as an alternative to kingdom. The name of the proposed dominion was to be the kingdom of Canada, and until February 9, 1867, this name was retained in the various drafts; but on that later date Sir John gave up the fight with the home authorities and agreed with the proposal that the provinces should "form and be one dominion under the name of Canada".

It is clear from this record that Sir John A. Macdonald's acceptance of the description "dominion" was by no means intended to exclude the eventual recognition that Canada was to be styled a "kingdom," even though at the time it was considered inappropriate to include this word in the name of the new country—our country.

If this great Canadian patriot and statesman were present in the house today I venture to think that he would welcome with much satisfaction the introduction of this legislation, which places the name of Canada in the royal style and titles as one of Her Majesty's realms alongside that of the United Kingdom.

The idea of designating Canada as a kingdom did not die with Sir John. It is possibly not quite so well known to students of history that when in 1901 a change in the royal style and titles was being contemplated the designation was given careful consideration again.

The exchange of telegrams between the secretary of state for the colonies of that day, Mr. Joseph Chamberlain, and the colonial governors who were instructed to consult their ministers on the question of the new royal style and titles, reveals that the colonial secretary—and I quote from his dispatch of the day—was "very desirous that the separate and greatly increased importance of the colonies should be recognized if possible."

The suggestion made at that time for revision of the title was that the king who was acceding to the throne, King Edward VII, might be called, "King of Great Britain and Ireland and of Greater Britain beyond the Seas".

Mr. Diefenbaker: Who was colonial secretary then?

Mr. Pearson: Mr. Joseph Chamberlain. This suggestion from London evoked mixed responses from the colonies, as they then were, and alternative proposals were put forward with the result that the words which have become fairly familiar to us were adopted, not by unanimous agreement in the first instance but as a result of messages that passed back and forward between the colonies and London. The title adopted was "King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas".

At that time there was a definite expression of opinion on the part of certain colonies, including Canada, which at that time through the Earl of Minto made certain suggestions with regard to the new title by which the name of Canada would be specifically designated. However, these were not followed then, and the title was adopted which remained in force for many years after 1901. It is interesting to note that in the correspondence of 1901 which led to the acceptance of the word "dominions" that word was almost synonymous, although not so subsequently, with the word "colony".

The change that was made at that time is of some significance because of the distinction which developed between the colonies and the self-governing colonies which became dominions. The extent of this distinction between colony and dominion is emphasized further when we consider that prior to 1901, with the exception of the addition in 1876 of the title "Empress of India", the possessions of the crown outside the British Isles, although included in the settlements of the crown, received no recognition whatever in the royal title. It was recognition of the importance of the overseas territories that led to the passing of the royal titles act in 1901 which authorized the crown to make such additions to the existing title as it saw fit. The title was then proclaimed as we know it, "King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas". So it remained for many years.

Mr. Diefenbaker: What was Sir Wilfrid Laurier's suggestion in 1901?

Mr. Pearson: I do not think I have that information actually with me. I know that the government of the day did object to the suggestion that the phrase should be "Greater Britain beyond the Seas". The Earl of Minto, replying to that suggestion on February 6, 1901—I think this will answer the question of my hon. friend—said that his ministers appreciated the inquiry from London, and then he continued:

> They entertain some doubt as to the appropriateness of the expression "Greater Britain", which, while convenient colloquially, is perhaps hardly definite or intelligible enough for such a formal purpose. They would therefore suggest for consideration the expediency of retaining the title of King of Great Britain and Ireland and Emperor of India, and adding the words "King of Canada, Australasia, South Africa, and all the British Dominions beyond the Seas";

In other words, the Canadian government of that day suggested the inclusion in the king's title, not only of the specific designation of Canada but the specific designation of Australasia and South Africa. The dispatch from the Earl of Minto continued:

> —if the mention of greater colonies be deemed unfair to remainder of smaller colonies, or otherwise objectionable, the addition to title might be "King of all the British Dominions beyond the Seas".

That was the suggestion put forward to London at that time. We now reach the situation as it was at the time of the London conference of 1926 when the title was found to be out of date because of the changed position of Ireland. A further alteration in the title was found to be required and the word "Ireland" was so interpreted as to distinguish geographically between the Irish Free State and Northern Ireland. Under the geographical umbrella of "British dominions beyond the seas," the independent countries, Australia, Canada, New Zealand and South Africa were lumped together with the colonies and other dependencies of the British crown. In spite of certain misgivings as to the appropriateness of this title, it has remained and was reaffirmed by a United Kingdom statute and proclamation in 1936 at the time of the accession of King George VI.

Following the second world war the need for a further change in the royal style and titles became more apparent and when the prime ministers met, as the Prime Minister has pointed out, last December and on the eve of the coronation of Her Majesty it was decided to make this change. The equality of status of the countries of the commonwealth, if it needed further emphasis was fully revealed by the part played by each in the second world war. The entry into the commonwealth of three fully independent Asian states, India, Pakistan and Ceylon, not only greatly enhanced its membership but widened the basis of commonwealth association. The establishment of the republic of Ireland outside the commonwealth made it clearly necessary to undertake a revision of the geographica

content of the title which had been agreed to only a few years earlier. There were other equally cogent reasons for a change, not the least of which was the need for recognition in the title of the sovereign's position as head of the commonwealth, a designation which had been agreed to a year or so before.

Therefore in recent years members of the commonwealth have been considering, by exchanges of correspondence between governments and by meetings in London, ways and means of bringing the title into conformity with the constitutional relations which now exist within the commonwealth. The discussions which took place last December when the prime ministers of the commonwealth assembled in London were the result of long and careful consideration of how changes could be brought about in the royal style and titles which would make them appropriate to and practicable for the current commonwealth relations, while maintaining the tradition and dignity associated with them.

Recognizing that the present title was not in accord with the current constitutional relations within the commonwealth, they concluded, after full consideration, that in the present stage of development of the commonwealth it would be in accord with the established constitutional practice—this represents an important change from any previous consideration of this matter—that each member could subsequent to the conference use for its own purposes a form of title which suited its own particular circumstance but which retained a substantial element which was common to all.

So agreement was reached, in a sense, to disagree. They agreed on the various forms of the title which would be used in various parts of the commonwealth. But they also agreed that each of these titles should have a common element in the description of the sovereign as Queen of her other realms and territories and as head of the commonwealth. I think it is of great significance—

Mr. Diefenbaker: And which is common to all.

Mr. Pearson: Yes. That was our common element of agreement at a time when it was agreed to disagree with respect to other parts of the title. It is of great significance, I think, Mr. Chairman, that the words which are common to all titles in all parts of Her Majesty's realms are the words "head of the commonwealth". It was in 1949 that agreement was reached in London that this phrase, head of the commonwealth, should describe a new relationship of the crown to the commonwealth which was made necessary by the inclusion, in the commonwealth, of a republic. I recall, because I had the great privilege of being present at these discussions, the very earnest effort that was made at that time, in the best traditions of adaptability and flexibility in the commonwealth association, to find an expression—something which would certainly not be possible in strict legality as it would have been conceived by constitutional lawyers twenty years ago—under which we could include in our commonwealth association a country with the largest group of people in that association, India, which had declared itself a republic.

That was done, and the expression "head of the commonwealth" was then used in proclaiming the accession of Queen Elizabeth II in the United Kingdom. This is, as I have said, one of the principal common elements in the varying titles which have now been agreed upon. Our Queen then, Mr. Chairman, is head of a commonwealth whose members include a republic of which she is not Queen and in which she has no constitutional function to perform. That, I suggest, is striking evidence not only of the adaptability of the commonwealth to changing conditions but of the political realism and ingenuity of the peoples and the governments who make up the commonwealth. It is striking evidence of the adaptability of this association to new conditions and of our power to adjust our constitutional practices and our constitutional procedures to these new conditions. It is one more proof, if proof is needed, that membership in the commonwealth imposes no limitation whatever on a nation's control over all its affairs, including its constitutional development as a republic or as a monarchy.

For certain members of the commonwealth —and this certainly includes Canada—the monarchical form is preferable because it symbolizes in a very real way the unbroken continuity in our history and the development of our political institutions from Magna Carta to the session of the House of Commons in Ottawa today. The crown under the monarchical principle also lends, I think, stability and dignity to our national life, and I am sure we all agree that that is important in a democratic system based on the free and active play of party controversies. The crown as head of the state and as represented in our country, standing above all such controversies, commanding and deserving the respect and loyalty and affection of us all, ensures a more solid and secure

foundation for national development than might otherwise be the case under some other form of democratic government.

Yet it is good to know that the commonwealth, with its monarchical and its republican membership, is flexible enough to include Asian as well as western members, and a republic as well as monarchies. This becomes an essential feature in the new and important role which the commonwealth now performs, a bridge between the west and Asia at a time when there are too few such bridges and when they are more important to the world's history than ever before. All those who believe in co-operation between states must be heartened by this new opportunity of service which is afforded the members of the commonwealth family, and they must be heartened also by the fact the crown will continue to play a vital part in that association in the future as it has in the past.

At London, as I have said, it was agreed last December to differ, if necessary, in the titles and style of the crown, but we all agreed, without difficulty and without difference, in respect of our determination to pursue within the commonwealth those ideals for which the crown so finely stands—peace, dignity and ordered progress.

Section agreed to.

Sections 2 and 3 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read the third time? Now?

Mr. Knowles: By leave.

Mr. St. Laurent moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. St. Laurent: Perhaps hon. members would like to rise now and sing "God Save the Queen".

Whereupon the members of the house rose and sang

God Save the Queen.

SUPPLY

Hon. Alphonse Fournier (Minister of Public Works) moved that the house go into committee of supply.

South Saskatchewan River Project

IRRIGATION—SOUTH SASKATCHEWAN RIVER DAM

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, this motion affords to members of parliament an opportunity to assert their traditional right to bring before the executive any matter that they believe is of interest to the people of their country, the basis being that supply shall not be granted until causes of complaint have been fully discussed. It is in that spirit I intend to deal with a matter of transcendent importance to the people of western Canada, and in particular the peoples of the provinces of Saskatchewan and Alberta.

I bring this matter up on this occasion to give parliament an opportunity of discussing a question pertinent to the prosperity of western Canada. I commence by pointing out that the questions of irrigation and of power in Saskatchewan and in western Canada generally have been matters of constant reference for several generations. I go back to the days of the Palliser expedition and also to the recommendations made as far back as 1856, when even then it was suggested, in the diaries of early explorers, that the area which we now know as the Palliser triangle, extending as well beyond Canada in the general direction of Salt Lake City, might in the future be subject to settlement; but that in order to settle it there would be required the benefits of irrigation for the reason that from generation to generation, periodically, drought has come to that area.

This matter has been before the House of Commons on a number of occasions. It has been discussed throughout the years in the legislature of the province of Saskatchewan. As I say, it has been brought to the House of Commons periodically since 1938 when the late John R. MacNicol dealt at length with the problems of irrigation. It has been before us year by year since that time.

I am not going to go into the references by the Minister of Agriculture (Mr. Gardiner) throughout the years, although that could be done later on if necessary. Throughout the years he has been constantly bringing to the attention of the people of Saskatchewan the need for irrigation, the demand for power, and has pictured Saskatchewan and other areas within the Palliser triangle as areas that might well in future be of the type of the Essen area in Germany, power resulting in industrial development and irrigation resulting in areas arid today blooming as the rose.

As far back as 1946 the minister, speaking at a meeting that year, as reported in the Regina *Leader-Post* of April 27, said:

The dominion government had already mapped out a program, and it was a program involving

$110 million. This would be used largely in providing for the storage of water and partly for the distribution of this water where needed.

The dominion government thus did not need the endorsation of the South Saskatchewan river development association to begin work on the South Saskatchewan river. It had already decided to go through with it.

Later in the summer of 1946, again speaking in the province of Saskatchewan, the Minister of Agriculture was reported as saying:

—a decision would be reached on where the dam on the South Saskatchewan should be placed. It would be on one of three sites between the Elbow and Saskatchewan.

As soon as the site had been finally decided upon, contracts would be let and work would proceed immediately.

Throughout the years his advocacy of this project was in keeping with the words that he was reported to have used the other day in Winnipeg on the occasion of an interview with the press, excepting that there were no words that required deletion and the description was "blank, blank".

Mr. Gardiner: I do not use language of that kind.

Mr. Diefenbaker: That is what I say with respect to that alleged interview. I, at least, have never known the minister to use language that had to be abbreviated in order to make it parliamentary. But his language was always most definite. The dam, the construction, and the irrigation were in immediate prospect, and generally the project was just around the corner.

In the by-election at Rosthern in 1948, on October 18, the minister is reported as having said that the issue of the campaign, the main task would be to push the building of the dam as soon as possible. On that occasion the Minister of Agriculture drew a picture of the development of irrigation and power on the Saskatchewan river that would result in industrial and agricultural development similar to that which I have already referred to in the Essen area of Germany.

On October 20, 1948, Mr. Tucker, speaking in the same by-election said that support had already been received from two federal cabinet ministers both of whom had expressed their favourable attitude towards the project; and he referred to the Minister of National Health and Welfare (Mr. Martin) and to another minister.

On October 23, 1948, the Minister of Agriculture said:

If this part of the country could be turned into an industrial as well as an agricultural area, it would be possible for it to support twice the population that it does now. Cheap power is the "open sesame" to industrial growth. With a dam at its back door almost assured, and with the resultant cheap water power available in the not too distant future, Saskatoon stands at the gateway to new and unprecedented development.

And so on and so on through the years. The dam was the issue in that by-election when my hon. friend from Rosthern (Mr. Boucher) was elected. He was elected, but we did not get the dam. In 1949 it was again an issue.

There were various discussions during the years. The P.F.R.A. people went ahead with an investigation; and there are men in the P.F.R.A. who, with long training, ability and experience, know the needs of Saskatchewan. They know the needs of irrigation and they have periodically made reports to the effect that the building of this dam was not only feasible but was necessary. Moneys have been expended month by month during the last few years to determine whether or not this project should be proceeded with; and the reports by the P.F.R.A. were as clear as they were definite that this project was a proper and a feasible one. The reports so given raised the hopes of people within the province.

Mr. Speaker: Order. It being five o'clock the house will take up consideration of public and private bills.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

The house resumed, from Tuesday, January 27, consideration of the motion of Mr. Knowles for the second reading of Bill No. 2. to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Hon. Milton F. Gregg (Minister of Labour): In rising to speak to this bill, Mr. Speaker, I should like to say to the hon. member for Winnipeg North Centre (Mr. Knowles) that his introduction of it has served a very useful purpose because it has evoked an interesting debate. I should like to thank all those who took such an active part in that debate.

My hon. friend's outline of the parliamentary history of this legislative proposal since 1948 was a very fair one. I was glad that, although he thought it necessary to state that the language which forms the main part of the bill was drafted by officers of the Department of Labour, he did not try to read any unfounded significance into that fact. As a matter of fact, they did the same thing in polishing up the wording of the bill in its original form.

The hon. member spoke about Liberals standing for union security. He again made much of that fact, and it is a fact. I am one of those about whom he spoke, and I do believe in union security. I see nothing wrong in union security measures, even though I much prefer those that are freely agreed upon by labour and management. I am very pleased indeed when I learn that new collective agreements have been signed providing for union security for the first time, or extending for the second and third time the scope of previous provisions. I am pleased when these agreements have been reached freely by the two parties. My reasons for feeling that way are, first, that I am in favour of collective bargaining; second, I believe in the value of having strong and stable labour unions in Canada.

Now, Mr. Speaker, there are a good many members in this house who sincerely do not want to see employers compelled by legislation to initiate a check-off in their plants, any more than they want to see a prohibition against the union security measures in our legislation here. The question has been asked as to whether it is necessary or desirable that a responsible union should derive its stability from government imposed conditions rather than freely negotiated agreements. That, I think, is the question to which we need to give a great deal of thought and study.

In closing his speech on the motion for second reading of the bill, my hon. friend said he was encouraged by the fact that this principle has now been accepted by the railway companies and by the union representatives of many of their employees. I would say to him that the only principle the railways or the employees accepted was the principle of a negotiated check-off, freely agreed upon in the process of collective bargaining. The principle contained in the provisions of Bill No. 2 is the principle of a legislated check-off, with the word "voluntary" applying only to the individual employee and having no reciprocal connotation for the employer.

Before I leave the subject of the settlement between the railways and their non-operating employees, I wish to express a word of commendation to Mr. Justice Kellock and the other members of the conciliation board, to the officials representing management for the railways, and to the trade union leaders who represented the employees. Those non-operating railway labour organizations sought the adoption of the union shop, but reached agreement with management upon the check-off of union dues.

My information is that the railways have agreed to the compulsory check-off of union dues for all members of the bargaining units for which the non-operating unions hold collective agreements, regardless of whether or not the individuals affected are members of the unions. This formula goes considerably beyond the provisions of Bill No. 2, but the important thing to remember is that it was freely negotiated.

It should not be forgotten that our law dealing with industrial relations already makes pretty secure the position of unions which by their own effectiveness and merit are able to enlist the loyalty of a majority of the workers in any given bargaining unit. The right of employees to joint unions and to carry on their lawful activities is protected, and interference and coercion on the part of employers through unfair labour practices are prohibited under penalty.

Earlier in this debate my parliamentary assistant (Mr. Cote) and also the hon. member for Edmonton East (Mr. Macdonald) made some pertinent references to the Maintenance of Railway Operation Act which terminated the railway strike of 1950. There was universal agreement that all the elements of compulsion in that bill should disappear, and should constitute no precedent. I am glad to say that the compulsory features of that statute have long since passed into limbo, and the parties are to be commended for having reverted to orderly collective bargaining, with enough good will on both sides to work out a settlement without disturbing industrial peace.

By any fair standard I think it will be agreed that our labour relations act is working out well. From here on I do not think any of us want parliament to impose statutory obligations upon employers and trade unions which might throw out of balance the factors of compromise and co-operation which are essential in collective bargaining. In order that collective agreements may be freely negotiated it is necessary to have a climate of good will, free from any excessive compulsion. It is that climate of good will, of mutual confidence, of willingness to conduct sincere negotiations, that the Department of Labour is ever seeking to encourage.

There are two schools of thought reflecting divergent philosophies on this matter. The views of one group are that the matter of check-off of dues is one which, in common with other conditions of employment, should be dealt with by the processes of free collective bargaining, and that legislative interference with those processes will not operate in the long run to the best interests

of the trade unions and their members. The other school of thought, as expressed in the bill, is that the matter of the check-off of union dues is one which should be removed from the collective bargaining field and disposed of by legislative enactment.

My parliamentary assistant, speaking of this bill on January 23 in this house, gave, in my opinion, a very clear analysis of the arguments related to this legislative proposal. For some time now the parliamentary assistant has been taking an active part, with my deputy minister and senior departmental officials, in studying the results of experience so far gained under the Industrial Relations and Disputes Investigation Act.

The results of those studies may well lead in the future to proposals for amendments to the act. I do think, however, that any amendments made to this act ought to be most carefully considered and should be brought forward from time to time in groups rather than one by one in a haphazard fashion. It may be that at some future time, when a group of such amendments are brought forward, something along the lines of this bill may find its place amongst them. But we can afford, I think, to go slowly in the knowledge that the degree of industrial accord within our country is not necessarily measured by the number of laws we make on labour relations, but rather is it measured by the good will and determination of the parties concerned to find a fair solution based upon mutual confidence.

In view of the interest in this matter and having regard to the diverging views expressed, I believe that before this house is asked to vote on the principle of Bill No. 2 the bill should receive further and careful study by the competent committee of this house. I would therefore move, Mr. Speaker, seconded by the Minister of Public Works (Mr. Fournier):

That Bill No. 2 be not now read a second time but that the subject matter thereof be referred to the standing committee on industrial relations.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there is a sense in which the amendment just moved by the Minister of Labour (Mr. Gregg) may be interpreted as a move against my bill, but I do not choose to look upon this amendment in that light. If one analyses the remarks the minister has just made, one could not say that he is favourably disposed to my bill; but at any rate it can be said that in the amendment which he has just moved there is afforded the possibility of further discussion of the subject matter or in other words the principle of this bill.

[Mr. Gregg.]

I think it is obvious to everyone that that course is much to be preferred to the defeat of the bill on the floor of this house, something which I take it might follow again if the government were to give the lead against the second reading of this bill. It is therefore my intention, Mr. Speaker, to indicate my readiness to accept the amendment that has been moved by the Minister of Labour and to express the hope that, rather than the bill being defeated this course might be followed and the subject matter be referred to the standing committee on industrial relations.

In accepting that suggestion put forward by the minister I dare to hope that at least one precedent that comes to my mind may be followed in this case. For a number of years I introduced on the floor of this house legislation aimed at protecting against loss due to a strike the pension rights of workers governed by federal labour jurisdiction. That proposed bill of mine was talked out or defeated a couple of times. Finally—I believe it was in the year 1947—it was treated in the same way as this bill is now being treated. An amendment to the motion for the second reading was moved by a minister. That amendment had the effect of denying second reading but sending the subject matter of that bill to this same committee, namely the committee on industrial relations. My memory is now confirming the fact that that was definitely in the year 1947. It so happens that in the next year, that is in 1948, the principle that I had been advocating for several years, and which had been studied in this way by the standing committee on industrial relations, was accepted by this house and written into the national labour code. I am referring to the provision that is in the law protecting pension rights against loss due to a strike or lockout.

I recite that precedent in order to express the hope that the same result may follow from what is now taking place. This bill proposing the voluntary revocable check-off has been before the house on a number of occasions, perhaps five or six times. It has been voted on at least three times. On successive occasions the number voting for it has increased but the bill has not yet been passed. The subject matter is now to be referred to this committee. I hope history will repeat itself and that the next time this parliament has a chance to deal with this matter it will follow the course followed previously, which I have already recited, and will write the voluntary revocable check-off into the national labour code.

If the minister's amendment passes I am sure the committee will give serious consideration to the matter. To any who might

wish to appear before that committee and to make representations I hope it will afford an opportunity to do so. If that opportunity is afforded, I realize that there may be those who will appear and state their opposition to this resolution. I am also satisfied, however, that the major labour bodies—which, year by year for a long time, have been requesting legislation of this kind—will come before that committee and indicate their support of it.

A moment ago the minister said that he recognizes labour's desires for union security and for the check-off as one form of it. If I understood him aright, I believe he said it was his view that labour preferred the check-off as a subject of collective bargaining rather than as a subject of legislation. If I am misinterpreting what the minister said he can, of course, correct me. I wish to remind him, however, that last year, as in previous years, the major labour congresses of this country, in appearing before the cabinet with their annual briefs, asked for legislation in the national labour code providing for the voluntary revocable check-off. Indeed, I have in my hand the briefs that were presented by the Trades and Labour Congress of Canada and the Canadian Congress of Labour.

The minister also had something to say today about the opposition of employers to the check-off or at least to a check-off provided for by legislation. What concerns me in the attitude of employers, as the minister stated it today, is the fact that these same employers operate the check-off in respect of a number of other items and do so apparently without complaint. They provide a check-off service in respect of various charities to which workers may wish to contribute. They often provide a check-off in relation to Canada savings bonds and items of that sort. Then there is another check-off they provide because of legislation that requires them to do so. I refer to the check-off of income tax payments at the source. For employers who provide all these other check-off services to rise up on a high principle and object to the check-off of trade union dues is something which it seems to me is not really consistent. It looks as though there is opposition not just to the idea of a check-off but to what in this case the check-off does in that it gives a form of recognition to trade unions and in that it provides some help to trade unions in their organizing work.

Therefore, Mr. Speaker, although the minister is perfectly correct in saying that there are two sides to this proposition, it seems to me that the weight of the argument is on the side of the claim put forward by organized labour in this country. That claim is that there should be legislative provision for at least a minimum form of union security. As has been pointed out in this house time and again—the hon. member for Kootenay East (Mr. Byrne) pointed it out again the other day—we have legislation of this kind on the statute books of a number of our provinces; I believe it is on the statute books of six of them. If it is in order in those provinces that are more progressive than the others in respect of labour relations to provide for the check-off by legislation, I submit that it is not only in order but desirable to have it in the national labour code.

We hear a great deal about the important part that trade unions play in the life of our country; we hear many speeches made about the dignity of labour and the rights of the workers of this country. It seems to me that this is just one small item of recognition for which labour is asking and which labour deserves. I hope that the result of the deliberations of the committee on this matter will be that there will be a report back to the house at this session recommending that this bill be reintroduced and that the voluntary revocable check-off be written in the national labour code. It is of course up to the house what it does with the amendment proposed by the minister; but in view of the fact that it does provide an opportunity for discussion of this measure by the committee I would be pleased if the amendment were accepted by the house.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to discuss this from the point of view of the proposal that is now made to refer the matter before the house to a committee. In explaining why he was introducing the amendment which he moved, the Minister of Labour (Mr. Gregg) pointed out that he did so with the idea that this would give an opportunity to consider the matter at the appropriate time. I understood him to say that this might then be dealt with at the time; that a group of amendments could be brought forward on some other occasion. If that is the situation, Mr. Speaker, the acceptance of the amendment as it now stands simply means that this proposal is shelved and that no positive steps are to be taken to have a review of the act, which is long overdue.

It will be recalled that on other occasions we have proposed that there should be a general review of this act. One of the questions that arise in regard to any single amendment of this kind is that the most desirable practice is to have a general examination of the whole act, because patching up

the act in one spot or another may not produce the desired results. In the end, as has happened on a number of other occasions, an unwieldy and sometimes incoherent act may result, and clauses introduced into the act by way of amendment from time to time may easily conflict with each other when they subsequently are interpreted by the courts or elsewhere, and they may in fact defeat the very spirit of the act itself. Often a few words introduced without regard to the whole act and the intention of the act have had the effect of defeating the very purpose for which the amendment was introduced.

If the recommendation which the minister now makes is as I understood it from his words, then the proposal before the house is simply to be put in cold storage and at some unannounced date when a general consideration of this act is to take place it might then receive consideration or might not. If there is to be a reference of any kind to a committee to deal with the Industrial Relations and Disputes Investigation Act, then I suggest that this is the appropriate time to ask once again that there be a general review of the whole act. I think the time is more than ripe for such a general review.

With what the minister has said in regard to labour relations generally I think there will not be general disagreement. What has been said in response to his proposal I think will also meet with general agreement. The time is long past when there is any doubt in anybody's mind that legislation must assure the right of employees in any occupation to associate themselves together in the union of their choice, and that they must have the right to bargain collectively under clearly defined provisions when that association has been established and recognized under the terms of recognition that are placed in statutory form.

I doubt whether there is anyone today who would challenge the basic right of the employees in our different industrial and other activities of this country. One of the things which should constantly be engaging our attention is the improvement of the methods of dealing with those disputes which may arise between employees and employers, facilitating the negotiation of agreements and generally assuring that with the increased understanding of the problems of employees and employers an increasing measure of harmony may constantly be found throughout the whole of the social structure of this country.

All too often the fact that a strike may be causing some inconvenience, or that a threatened strike may actually cause great concern, obscures the extremely important fact that in the overwhelming majority of cases the discussions between employees and employers lead to satisfactory and harmonious agreements without attracting any public attention at all. Certainly the objective of all legislation of this kind should be to increase that ever-widening area within which agreement is being so generally found.

We have advanced a long way. This is something about which there need be no partisan differences of opinion. It should be recognized that those of different political persuasions in parliament and in the other legislative bodies of Canada have year by year advanced with the wider and better understanding of employee and employer relations which has come generally to all our people.

Most Canadians recognize today that an essential feature of the development of our social structure is the pride in work well done which finds its expression in the desire of the representatives of the employees to assure that along with every advantage they may gain from the negotiations they carry on there may also be at all times the acceptance and appreciation of the basic worth of the individual. After all I think there will be no disagreement with the statement that work well done carries with it honourable recognition on the part of every Canadian, and that in the development of this nation of ours and the improvement in the social conditions in this country there is no place where pride in a task that is undertaken can more justifiably be found than in those places where the energy, the skill and the faithful work of the individuals contribute to the general advancement of the whole country.

We are all concerned with the improvement of those conditions; we are all concerned with the general improvement of the relationship which exists. In its simplest terms, a desirable labour relations act should seek to establish, first of all, the basic right of employees to associate themselves in trade unions for the purpose of bargaining with employers and obtaining for themselves adequate wages, fair working conditions and an assurance of advancement in return for work well done. The act should also make it possible for those who represent the worker to carry out their duties on behalf of the employees in an orderly, lawful and constructive manner so that the purpose of that association of employees may be fully recognized.

A good labour relations act should be based on the thought of the mutual respect which can be established between employees and employers whenever occasion comes to carry out collective bargaining. The whole act

should follow a constructive and integrated pattern which will from time to time bring into legislative form the advances which have taken place in the relations between the employees and employers. Such an act should also be constantly under review so that from the experience which has been gained under the legislation in existence improvements may be made.

This is a subject which is of great concern not only to the members of this legislature, to employees and employers, but to the people of Canada generally. Their welfare, their daily lives are in substantial measure related to the success of legislation of this kind in producing harmony rather than dispute. It should be remembered also that a larger number of workers in Canada than those affected by legislation passed here are affected directly by legislation passed in the various provincial legislatures. Very often what is done here will offer suggestions to the provincial legislatures. Very often provincial legislatures will not deem it advisable to advance beyond the steps that have been taken by the parliament of Canada because they know there is a recognition that on the national level legislation adopted here is something that is recognized in every part of Canada.

Therefore in seeking improvements in this legislation we also can take it for granted that whatever is done here is likely also to find a response in the provincial legislatures, which most certainly have advanced greatly year by year in the legislation affecting employee and employer relations in the provinces.

I think it demonstrates something of the increasing understanding of this subject by hon. members of this house that the amendment put forward by the minister has been accepted on this occasion. Nevertheless, since reference is to be made under that amendment to the select standing committee on industrial relations, I submit that this is a good time to go beyond that. In presenting his amendment the minister has indicated that he has in mind deferring action on this until such time as a group of amendments might be brought forward. I think this is the time when consideration should be given to amendments generally which will bring the whole act into conformity with modern practices and advance the harmony of relations between employees and employers in every way possible. With that in mind I therefore move, seconded by the hon. member for Hamilton West (Mrs. Fairclough):

That the amendment be amended by adding thereto the following words:

"with instructions that they have power to consider and to recommend amendments to the Industrial Relations and Disputes Investigation Act, with a view to bringing the act into conformity with current practices of employment in industry and of ensuring the greatest possible harmony between employees and employers.

Mr. Deputy Speaker: I am not prepared to make any comment at this moment other than to say that it appears to me at first sight that the amendment to the amendment of the Minister of Labour is not in order. The principle of the bill is to amend the Industrial Relations and Disputes Investigation Act with respect to introducing the check-off. Second reading of the bill has been moved, and the Minister of Labour (Mr. Gregg) has moved that the subject matter be referred to the committee on industrial relations. The amendment of the Leader of the Opposition (Mr. Drew) seeks to give instructions to the committee. In any event, I will look up the point and perhaps have something to say later.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I should like to say a few words on the amendment moved by the Minister of Labour (Mr. Gregg). Knowing his feelings with respect to the bill, second reading of which has been moved by the hon. member for Winnipeg North Centre (Mr. Knowles), I think the amendment is a constructive proposal on the part of the minister. The hon. member for Winnipeg North Centre has already indicated that it is acceptable to him. I am not the sponsor of the bill, but it is acceptable to me because I believe it is a constructive way to deal with a matter of this kind.

I think most hon. members are opposed to compulsion, but we are not so opposed to compulsion as not to pass laws compelling people to do things. As a matter of fact pretty nearly all our laws are laws of compulsion. I think someone told me that under the British system, of which we are a part, what the law does not forbid the law allows, or what the law does not compel the law permits.

I think there is a great demand for the inclusion of the provision contained in the bill before us in the Industrial Relations and Disputes Investigation Act. That employers would oppose it is quite understandable because until very recent years employers have opposed organized labour in any shape or form. In that connection I remember the report made by the royal commission that investigated the textile industry around 1937 under the chairmanship of W. F. A. Turgeon. The report indicated that, with the exception of one, all the textile companies that were under review could see no reason whatsoever why they should deal with organized labour in their plants. I thought

I had conveniently in my file the statements made by the representatives of those companies, but I cannot put my hand on them now. However, I have another statement that is equally authoritative on this point.

In 1943 or 1944—I am not quite sure of the date—a commission was appointed to inquire into the national war labour board. The chairman of the commission was C. P. McTague, who was then a justice of the supreme court of the province of Ontario. The other two members were J. L. Cohen representing labour and the late Senator Bench representing employers. There were majority and minority reports, and I should like to read a quotation from the majority report which was signed by the chairman and the labour representative. It is as follows:

> The recognition of the right—

The reference is to the right to bargain collectively.

> —is far from universal. By far the majority of employers have resisted it over the period. Generally speaking, the great mass of employers, until comparatively recent years, have employed all weapons in their power to resist and discourage the trade union movement.

That was only too painfully recognized by those who were interested in these matters in the early years of the war. At that time almost all labour disputes were concerned with the recognition of the union in the particular employment. In order to overcome that, when the Industrial Relations and Disputes Investigation Act was drafted, right in the beginning compulsion was put on employers and employees to bargain collectively in good faith. If there is a general demand to go one step farther, and conditions being what they are, then in my opinion it is not something that should be turned down. However, I must say again that I agree with the attitude taken by the Minister of Labour, and I believe his proposal is a constructive way to deal with the matter.

I hope the industrial relations committee will meet this session, and that this matter can be discussed. If there is any desire to enlarge the scope of the committee I have no objection. It has not occurred to me that there is a general demand for a complete revamping or revision of the act, although there may be. I cannot say because I have not been as close to things in the past year or two as I would wish. I hope that this point at least can be discussed at this session. Then we would know whether sentiment was in favour of or against it. From my point of view the amendment of the minister is a much better solution than that the question should be put to a vote now and defeated as it has been on other occasions.

[Mr. MacInnis.]

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not intend to take very long to discuss this matter on this occasion. Since you have raised the question of whether or not the amendment to the amendment is in order, I shall confine my remarks to the amendment.

I do not think anyone in the house was at all surprised when the minister moved his amendment to the motion for second reading in order that the bill might be referred to the committee for discussion.

It seems to me, Mr. Speaker, that the question of the check-off is not being opposed as much now as it has been in days gone by. There are, as we all know, several provinces which have the compulsory check-off—Alberta and Saskatchewan, to mention two. Then, too, there are a great many provinces in which the companies themselves and the unions have now included in their contracts the voluntary check-off. So that does not seem to be such a great problem as it used to be.

I think it is wise on this occasion that the bill itself should be referred to the committee for further investigation. I think a lot of benefit can come from a thorough discussion of the matter in committee. Probably a more satisfactory conclusion can be reached in committee than in the house; but I trust that when this subject is returned from the committee back to the house, if the committee's recommendation is to include this provision in the act, the minister of today will not take the same attitude which Mr. Humphrey Mitchell took when he was minister of labour. When the bill came back to the house he took advantage of the occasion to have the decision of the committee rescinded by putting a motion before the house and having it carried. That would be unfortunate. I think it is unfortunate when any minister takes any method to get around decisions of a committee.

Certainly when a committee of this house has gone to great lengths to study a bill such as this and has decided that a certain clause should be included in the act, then I do not think the minister should bring it before the house only to have those decisions rescinded. I am sure, Mr. Speaker, that the present Minister of Labour (Mr. Gregg) would not do that. I feel quite confident that if the committee recommends, as it did in the past, that this check-off should be included in the legislation he will abide by the decision of the committee in that respect.

Therefore, Mr. Speaker, we are not going to oppose the minister's amendment to have this referred to the committee. We think it is the proper place for it to go, and it will be given consideration there.

Mr. Deputy Speaker: Perhaps I should deal with the subamendment which was moved by the Leader of the Opposition and say that this subamendment certainly enlarges the scope of the amendment moved by the minister. In the second place I would say that the point which strikes me as most important is that this bill is to amend the act with respect to the check-off. The amendment of the Minister of Labour is relevant to the principle of the bill, in that it moves that the subject matter of that particular bill be referred to the standing committee on industrial relations. The subamendment of the Leader of the Opposition is not relevant to the amendment moved by the minister. It deals generally with the act which the bill before the house tends to amend in one particular only.

I do not have ready before me the various references, but I think one is citation 344. Another, regarding the enlargement of the scope of the amendment is, I think, 364. I do not wish to be unfair in judging this amendment, and were I not persuaded that it was out of order I would give it further study. However, so far as I can see from the study I have made in the short time at my disposal, basing my judgment on the two citations I have mentioned, I am satisfied that this amendment to the amendment is not in order.

Is the house ready for the question?

Mr. Gregg: Before the question is put may I just say one word prompted by the remark of the Leader of the Opposition (Mr. Drew) with whose words, in the main, I agree. He stated, I think, that the Minister of Labour might put this bill in cold storage. That is not the intention at all. In the department we are carrying out a review of the act, in conjunction with representatives of employers and employees in the light of what has been experienced in recent years. There will be recommendations and bills brought forward. I do not think they will be brought forward at this session but perhaps the Minister of Labour, whoever he is, at the next session or the session following will bring them in.

With respect to this Bill No. 2, I presume that if my hon. friend from Edmonton East (Mr. Macdonald) is chairman of the committee as soon as my fair employment practices bill comes to the committee, he will also consider this one. I hope members of the committee on industrial relations may then have gotten over the most difficult part of their other committee duties and be able to study these two bills at this session and, if necessary, hear evidence from outside so that the subject matter of Bill No. 2 may be fully explored. It might thus become part of the other packet of amendments at such time as it is advisable to bring them in. I wanted to make that clear.

Mr. Drew: Just so I may understand what the minister has in his mind I would direct a question to him having to do with the remark he has just made. He said that when the department was ready with a packet of amendments, then this matter would receive consideration.

I have accepted Your Honour's ruling and I recognize the difficulties of interpretation in these cases. I certainly have no thought of challenging that ruling, but what I have put forward in relation to the amendment does indicate my own belief that this will not widen the scope of the committee.

I would point out that when the committee is set up, unless there are restrictions placed upon its activities, I feel that if it were indicated by the minister that he desired wider examination the committee could carry out the suggestion I have made.

Mr. Gregg: The committee is already set up and we can refer to it anything we desire.

Mr. Knowles: May I ask a question. Is it clear that if the committee wishes to do so it may make a recommendation back to the house on the subject matter of this bill at this session?

Mr. Gregg: That is within the power of the committee.

Mr. Deputy Speaker: Is the amendment moved by the Minister of Labour agreed to?

Some hon. Members: Agreed.

Amendment agreed to.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SUPPLY

The house resumed consideration of the motion of Mr. Fournier (Hull) that the house go into committee of supply.

IRRIGATION—SOUTH SASKATCHEWAN RIVER DAM

Mr. Diefenbaker: Mr. Speaker, at five o'clock I was dealing in general with the history of the South Saskatchewan river dam project, and some of the things that had taken place throughout the years. I had arrived at the point at which the prairie farm rehabilitation organization had determined that the proposition was feasible, and one that deserved consideration. Then there was no immediate action taken. The question arose as to whether or not the water could be secured, and whether Manitoba would be

prepared to allow the diversion of the necessary waters that would be required in order to operate the irrigation plant.

The water board was set up, and apparently it arrived at a conclusion sufficiently favourable in any event to enable the project to be proceeded with. Following that, in 1949 a discussion took place in the house with reference to this matter. In order to indicate the united attitude of the opposition on that occasion, on March 29, 1949, I set out the view of the Progressive Conservative party regarding the project in these words, as they appear at page 2122 of *Hansard:*

> This project—and it is admitted it will have the results that I have referred to—must not be used by any party as an instrument for political preferment. It should have the support of all parties to the end that it will be assured. It will be proceeded with immediately by the Progressive Conservative party when in power. Full consideration has been given to this matter. The leader of this party, having been apprised of the necessities incident to the situation not only in Saskatchewan but also in parts of Alberta and Manitoba, has given his undivided support to the plea that this work be proceeded with at the earliest date that engineering skill and capacity will permit. It should not be delayed four, seven, or ten years, but should be proceeded with now—when this country is apparently entering into a cycle of possible unemployment, and when Saskatchewan is again facing the dangers inherent in drought. Only those who have lived in that province during the trying years of drought can appreciate that this is a work that, if proceeded with now, will give new hope to the people of Saskatchewan and to the people of western Canada as a whole. It will be a national work that will permit the expansion of industrial development, the extension of productivity in the areas affected, and will pay to the nation as a whole profits that can now only be dreamed of.

Then came the election campaign in 1949. I am sure there was no one in Saskatchewan who did not believe that the work was going to be proceeded with, although the Prime Minister (Mr. St. Laurent) when speaking in Saskatoon said that, while he was in favour of the dam, he viewed with some trepidation the danger of a dam such as was envisaged under the plan being washed out and Saskatoon being flooded.

Following the 1949 election the work proceeded under the Prairie Farm Rehabilitation Act, and several hundred holes were drilled with a view to determining the proper location for the dam. There were six hundred or thereabouts in all, and everything seemed to be proceeding well to the end that the work would be gone ahead with.

Then on May 31, 1951, for the first time to my knowledge, a suggestion was made by the Minister of Agriculture (Mr. Gardiner) that it would be necessary for the province of Saskatchewan to accept the responsibility of providing irrigation facilities. Until that time I had never heard, nor am I able to find any record anywhere, that there was any responsibility to fall upon the province of Saskatchewan. However, the feasibility of the project was admitted by the minister, and in speaking in the house on May 31, 1951, as recorded at page 3601 of *Hansard*, he said —I am reading the pertinent words—

> —under P.F.R.A., we had Professor Allan appointed again—

That refers to the fact that as early as 1918 Professor Allan had made a report.

> —and then later on in 1947 we had another report on it which has been tabled in the house. Those reports are all favourable. I must say to the committee that all my reports to the government have been favourable, and they will continue to be favourable. I have reported to the government on each occasion we have obtained a report to the effect that in my opinion it would be a good thing to build this dam.
>
> An hon. Member: This year?
>
> Mr. Gardiner: Three or four years ago—five years ago, for that matter—every time there has been a report. I think it would be a good thing to build this dam.

The government of Saskatchewan accepted the responsibility imposed upon it and agreed to discharge the financial responsibility incident to supplying the necessary irrigation.

Then a new wrinkle developed. We had had promises throughout the years. The dam was just around the corner at election time. Following that there were water boards set up, responsibility was placed upon the government of Saskatchewan and assumed, and then in the summer of 1951, for the first time, we found that a royal commission of experts was going to be set up to review the reports and decisions of the real experts, those who were members and officials of P.F.R.A.

The setting up of the royal commission was quite a surprise to the people of the province of Saskatchewan. After all, as far as the official opposition were concerned, we promised the minister that we would support him to the limit and without any exception would vote the necessary supply in order to permit the work incidental to the development and building of the dam to be proceeded with. So did the members of the C.C.F. party.

The royal commission was set up and empowered to inquire into the economic and social returns to be derived from the project and to measure them against the cost; and also, in effect, to ascertain whether there was not somewhere else the water could be used to better advantage. At least that is my conclusion as to the meaning of the commission report. Certainly there was nothing that would have indicated that a commission

would commence to sit and, even though only intermittently, continue to sit for an extremely long period of time, measured by the months before the report was brought down, in order to determine first, apparently, where the dam should be situated; to review the decision that had been made almost with finality as to the location of the dam; and then as well to determine whether or not the whole project was feasible, and finally, whether in the national interest the social benefits would be commensurate with the expenditure.

The commission finally brought in its report. Everyone knew what was in the report before it was tabled in parliament. For some reason the information became known in December. The general plan in connection with the dam and irrigation project was given in considerable detail. It was designed to provide for the irrigation of 455,000 acres of land in central Saskatchewan and also to provide secondary benefits:

(a) a source of hydroelectric power for a province-wide transmission system;
(b) a source of rural and urban water supply;

That was to supply water directly or indirectly to Regina and Moose Jaw.

(c) stream and flood control; and
(d) recreation facilities.

Throughout the years we who have lived in the province of Saskatchewan have known something of the terrible conditions that prevail in consequence of drought. We remember so well the year 1938. We remember years prior to that. My own memory goes back to the time we first went to Saskatchewan in 1903. Intermittently even in northwestern Saskatchewan there were periods of drought. But those people living in the areas adjacent to the elbow of the South Saskatchewan river experienced recurrent drought throughout the years. They looked forward with hope to something being done to assist them.

Now the report comes down. It is one of the most amazing documents I have ever seen. I presume what the minister said in Winnipeg was—and I am not being profane—that it was a silly damned report, because of the fact that there was a blank in the statement which he made. It is the most surprising piece of work that the ingenuity of man could possible produce, having regard to the evidence which was before them and which was available to them. The engineers and officials of P.F.R.A. had spent years looking into this matter. The minister had given his approval. He had given his benediction to the feasibility of the proposition. Members of the house in all parties were agreed that it was necessary and that it was feasible. However, when the report is brought down it consists of statements in part commendatory and corroborative of the report of P.F.R.A. It speaks of the benefits that could be achieved and at times one almost concludes that the report is going to be favourable. Indeed there never was a report anywhere that could damn a project with fainter praise than did this one.

As one follows the report, one wonders what the decision will be. One can take excerpts from various parts of the report and build up a strong and powerful argument in favour of the proposition. Then after everything has been canvassed the decision finally is that it is not feasible because of the fact that we would not have a market for the garden produce that would have to be grown in order to make the irrigation expenditure worth while; that, in any event, the place chosen is indicated not to be the proper place; and that the social benefits are not commensurate with the expenditure.

The costs given are fabulously higher than those estimated by competent engineers and men in the public service who know conditions in Saskatchewan. As a matter of fact, I think it is to be regretted that the commission did not sit during years when drought afflicted our province. I cannot believe that the findings of this commission would have been as they are had the members of that commission had any knowledge of what the people in Saskatchewan suffered and of the terrible terrors of drought during the days of the 1930's until 1938. The highlights of the report are as follows, as summarized by the Canadian press:

The project is rejected as uneconomical under current conditions.

As far as that finding is concerned, it is based in large measure on what appears to be the choice of evidence that was unfavourable to the scheme. After all, when a royal commission is set up you expect it to hear both sides. You expect it to have an open mind. You expect it to face the problem that is before it by weighing the favourable evidence with the unfavourable, instead of weighing the evidence that was negative to the construction of this development. The next finding is this:

The situation might be reviewed when there is a big market for specialty crops, such as potatoes and sugar beets, in the area, or as a relief project in time of unemployment.

Mr. Speaker, I think the members of the commission, great and distinguished as they were, did not have—by reason of illness and other difficulties—the opportunity to weigh the measures that had to be considered in connection with this matter. They talk about irrigation for the production of garden stuff. We are not asking for irrigation of that kind. We are asking for irrigation that can be used

in a dry farming country and which will have the result of ensuring against recurrent drought and crop failures incident thereto.

It would cost $250 million, likely to be shared $100 million by the Saskatchewan government and $150 million by the federal government and Canadian taxpayers as a whole.

The evidence regarding costs is as prejudiced evidence as one could find anywhere. They chose one contracting firm that for some reason or another in some of its own tenders was twice or three times as high as the lowest tender, and that is decided upon as the company to determine the costs. As far as costs are concerned, the engineers in the Department of Agriculture had gone into that matter with thoroughness and completeness, and no one can convince me that their conclusions were almost 100 per cent wrong. They are men who have been devoted to an examination of this object over a period of eight, nine or ten years. They know more about costs than three commissioners who were brought in and sat in three, four or five centres in Saskatchewan and then wrote a report, numerous as the pages are, without the necessary evidence upon which to determine the costs.

Their next finding is:

More economic use could be made of the money through other projects.

That was not a conclusion they were asked to come to. We realize that the expenditure of money on some other projects —and I have none in mind at the moment— might ensure faster and surer immediate returns; but this proposition is one that would rehabilitate the province of Saskatchewan and give it a boost not only in agriculture but also in industry, without which Saskatchewan would find itself in an unequal position so far as other provinces are concerned.

Although the commission was not asked to do this, they had to find some escape hatches; therefore they say, if you did something else, why you would get returns from that. If you develop a wide program, take a lead in creating a realistic country, use the thousand-mile long Saskatchewan river to the best interests of all Canada, you will get better returns. Then they develop little plans and schemes, some not so little, schemes that the Minister of Agriculture has had under investigation or in contemplation during the years, some of which are under way. They are recommended by the royal commission as something the government can do.

That very fact indicates that while the royal commission sat it was not devoting itself to the securing of dependable information that was available to it under the Prairie Farm Rehabilitation Act. As a matter of fact, it is difficult for me to understand the explanation of the Prime Minister the other day that the reason P.F.R.A. employees and engineers were not heard by the commission was that the government did not want to find itself in the position where it would have to weigh the opinions of its own officials. I think they should have been given an opportunity; I think they should have been before that commission. Their reports were there. They themselves could have clarified many of the things which remain obscure in the report of the royal commission, because apparently nothing was done to enlighten the members of this commission whose knowledge of Saskatchewan could not have been as great as their responsibilities were.

The summary goes on:

A smaller chain of irrigation projects should be considered for the prairies, including a 100,000-acre reclamation project near The Pas, Manitoba.

If my memory serves me right, the minister has on other occasions spoken of that plan in Manitoba. He had it before him a year or two ago; yet as an alternative to what the people of Saskatchewan want the royal commission offers something hundreds of miles away as a means by which Saskatchewan and the people in that area may be assured of justice.

Then it goes on:

The value of irrigation in farming, however, was "consistently exaggerated" in Alberta. Green vegetation did not necessarily indicate a high standard of living.

Well, as far as Alberta is concerned I have heard several hon. members telling of the benefits of irrigation, and I have never known one of them to say that those benefits had been exaggerated. As to the finding that green vegetation does not necessarily indicate the highest standard of living, the answer is to be found in the five, six or seven years when there was nothing but arid desert in many parts of Saskatchewan, and when the people felt that if the days would only return when green vegetation would take the place of thistle that hope would be restored to them and a finding such as that would not have been made.

I could go through this report. I have it here; I have read it in detail. And as I read it I asked myself, how can any government place the reliance upon that report that it must in order to turn down a project which throughout the years has been acceptable not only to the minister but to members generally from Saskatchewan without regard

to party, and which has been weighed by P.F.R.A. and not found wanting.

Then the report refers to costs. I am not an engineer, but the basis upon which the costs are arrived at indicates a failure on the part of the commission to take account of conditions. There is no realization of the savings that might have been made under the Prairie Farm Assistance Act and in relief through the years. I believe the figure is $54 million that has been expended in that area over a period of some 22 years. There is nothing to indicate the social and industrial benefits that would flow from the development of power made possible as a result of this project.

Interest is figured over a period of 30, 40 or 50 years in order to arrive at the costs. The report exaggerates the cost as it minimizes and underestimates the economic benefits. I hold in my hand many editorials from Saskatchewan papers dealing with these subjects. I have here the report of Mr. George Spence, a member of the international joint commission for many years, a man who was a minister in our own province and a member of the House of Commons, and who understands this problem as I believe no other layman does. I am going to read a few of the editorials to indicate the attitude of our people, because they do indicate that. The *Leader-Post* says in an editorial of January 21:

> "Disappointment, resentment and shocked surprise," most aptly describe Saskatchewan's reaction to the royal commission's adverse recommendations . . . Up to now, condemnation of the report has been unanimous, in Saskatchewan at least, although a contrary note has been sounded in Alberta where that government's minister of agriculture expressed gratitude to the commission and declared, in effect, that its recommendations were exactly what the neighbouring province wanted.

Then it goes on to say:

> This has been declared to be impracticable for two reasons.
>
> It was found there is insufficient land along the river to be irrigated on an appreciable scale.

In general that is the viewpoint of the editorial. It then goes on to say:

> However, properly to interpret Saskatchewan's reaction one must have an understanding of the background which goes back to the acute drought and depression sufferings in 1937 when more than half of all the people of Saskatchewan were in receipt of direct state aid of one kind or another.

Then the Saskatoon *Star-Phœnix* deals with the economics or pseudo-economics displayed by this commission. In an editorial entitled "Dubious Economics" it sets out the facts, compares costs and says:

> We suggest that the selection of the farm price level from 1921 to 1948 can be challenged on economic grounds.

That was the basis taken by the commission in the determination of economic benefits. The editorial continues:

> The period covers 27 years in Canadian farm history. They include four years of depressed agricultural prices following the first great war boom; 11 years of excessively depressed prices during the black 1930's, and into the first years of the war; and four years when prices were deliberately controlled by the federal government.

It says that if comparisons are to be made, they should be made on a fair and proper basis. I said a moment ago that apparently this commission sought only to hear the things it wanted to hear, namely those that were adverse; or at least not to listen to the favourable things. The Saskatchewan river association gave evidence, but its evidence might just as well have not been given and the hearings might just as well never have taken place. The Regina *Leader-Post* of January 24 contains an article headed "Accepted the Bad, Rejected the Good". That editorial goes on to set out in detail that as far as costs were concerned and as far as economic facts were concerned apparently the commission sought the things that were unfavourable and accentuated and emphasized them at the expense of the favourable. With regard to the determination that another site for the dam should be surveyed, the Regina *Leader-Post* in its issue of January 13 states that a proper location has been determined by elimination and scientific examination.

I am going to give my answers to the several points raised in the report. First, in my submission the government should not in any way consider itself bound by the terms of a report which in large measure are contrary to every investigation that has taken place throughout the years, particularly when the royal commission sat for only a short time compared with the years of investigation on the part of the P.F.R.A.

Second, the costs which are indicated for this proposal are overwhelmingly exorbitant. I feel that the government should discharge its responsibility by going ahead with the building of the dam. That would discharge the responsibility that rests upon it and it would not be the costly venture which the exaggerated figures of the commission would indicate.

Third, I believe that the conclusions of the commission as to economic values are based on a false premise. Too much reliance was placed on the extent of farming operations today.

Fourth, the findings of the commission make counterfeit the known facts of history. We know that this area throughout the years since 1854, and by legend and tradition prior to that, has been subject to recurrent

droughts. We know the benefits of irrigation. We know what could have been achieved and would be achieved if 450,000 or 500,000 acres could be irrigated for dry farming purposes within the province of Saskatchewan.

Fifth, when the royal commission says that we could not raise vegetables and sugar beets because there is no market available, it again denies the facts of history which show the benefits of irrigation to grain farming in various parts of the United States. I think this whole argument was anwered on August 9, 1951 at Outlook, Saskatchewan when the general manager of the southern Alberta eastern irrigation association, Carl Anderson, of Brooks, said that irrigation was needed in dry land farming areas. He stated also in effect that irrigation could be as beneficial to wheat and other grain farmers in Saskatchewan as it had been to farmers in other parts of North America. It has been indicated in recent years that everywhere in the world irrigation is expanding the opportunity for the production of food. Today Russia has an irrigation plan under way to irrigate some 20 million acres. Today the United States has 7 million acres under irrigation. We in western Canada have some 3 million acres which would be as productive as the best land there is, provided the necessary water was made available.

The other day we heard a speech by the hon. member for York West (Mr. Adamson) which indicated the trend of recurring droughts and the need of irrigation and the like to assure the production of all those things. Apparently all that information was lost in so far as this royal commission was concerned. All of that was indeed ignored. One would almost conclude from reading the report that the commissioners had an objective, which was to arrive at point X. While throughout the report they describe the benefits of irrigation and state that sometime in the distant future something along this line might be done, they finally end up by claiming that this project which has been demanded by and promised to the Saskatchewan people for many years should not be built because of the costs.

I believe that we are going to get this project. Without exception we in the province of Saskatchewan are united on this matter. We demand it. We have had far too many excuses, a multiplicity of evasions and a succession of postponements. Today the people are asking for the carrying out of a promise made directly and by implication throughout the years. They are asking that it be not used again as a promise for the future; they are demanding that it be gotten under way now in these days when crop conditions are exceptionally good for this area. They realize that history shows that inevitably periods of rainfall in that area are followed by almost corresponding periods of drought and arid non-production.

It is in order to place this matter before the house and in order to secure the opinion of members of the house that I have endeavoured to arrive at a method. First I thought it might be done through the instrumentality of a private member's motion; but then I found what happened to private members' motions when the new expedient was adopted of moving the adjournment of the debate, thereby ensuring that such motions would wind up in the limbo of forgotten things. So I could not proceed by way of a private member's motion. There used to be a day when private members' motions were just talked out, but now they are voted out by postponement and adjournment. I could not proceed in that way.

Within the rules the only time anything could be done was when a motion for supply came before the house. Then an opportunity is provided, and there is no other opportunity. If there were that is the method I would follow. An opportunity comes to move an amendment to the motion to go into supply. That amendment I intend to move in order to give parliament an opportunity to say what it thinks of this proposition, in order that through discussion Canadians as a whole will have some realization of what this means to us.

We have supported proposals in other parts of the country that have been for the benefit of Canada. Through the years we in Saskatchewan have been denied a fair and reasonable share of defence production because of the fact that we have not power available. Our industrial development might not be as great as that of other provinces, but with power available it would be immeasurably greater than it is. Agriculture itself with assistance would be productive in a large area.

I do not believe that the state should undertake expenditures to go into competition with private enterprise, but I do believe that the state has the responsibility of providing an equal opportunity for Canadians everywhere, and that is all we are asking in the province of Saskatchewan. So far as the report is concerned, a meticulously careful reading of it indicates that it is biased and prejudiced, unjust to our legitimate claims in that province and founded—

Some hon. Members: Time.

Mr. Speaker: Some hon. members are calling "time". I would inform hon. members

that the hon. member for Lake Centre (Mr. Diefenbaker) is not limited as to time.

Mr. Diefenbaker: Mr. Speaker, I do not want to speak beyond my time.

Mr. Speaker: I want to assure the hon. member that he is not limited as to time.

Mr. Diefenbaker: Oh, I see. This is one time that I will not overspeak my welcome. I was concluding, Mr. Speaker, because I want to hear the answer of the government. The newspapers say that the Minister of Agriculture (Mr. Gardiner) will speak out here in favour of this project. That is the report, and I am sure the Minister of Finance (Mr. Abbott) will do the same. We want to hear why this project, justified by experience, reinforced by the evidence of the trained engineers and officials of P.F.R.A., should longer be denied to us. Without exception people in my province are asking parliament to act, not to provide alternative plans, not to start this project or that project, not to picture a vast scheme that is going to cover all Canada. They are demanding that their members from that province present their demands before parliament, demands that are legitimate, fair, reasonable and proper, and which involve in effect the implementation of promises long made and as long unkept. I therefore move, seconded by the Leader of the Opposition (Mr. Drew):

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"this house regrets that in the estimates presented to this house no provision has been made for immediately proceeding with the construction of the South Saskatchewan river dam."

Mr. E. A. McCusker (Regina City): Mr. Speaker, so there will be no misunderstanding, I do not want my hon. friends across the way to say that I have accepted the challenge and am proposing to speak for the government. I am speaking as a member from Saskatchewan who is strongly in favour of proceeding with the construction of the South Saskatchewan river dam, as are all other Liberals, and I will even be generous and say all other members from Saskatchewan.

I will not take up your time tonight by trying to give you an outline of the Palliser triangle. I am sure that even if any hon. member here were blindfolded he could take us around the whole area without having seen it because hon. members have heard it described so often.

I will not dwell on the necessity for irrigation—you know it—nor on the economic benefits that will accrue to the country, because Lethbridge is an example of that. When you go into that community, which was once almost poverty-stricken, and see it well settled and prosperous, surrounded by beautiful farming country, you have the answer as to the benefits of irrigation.

No one questions the ability or integrity of the members of the royal commission on the South Saskatchewan river project, nor do we hold their motives in question, but I think as a member of parliament I have a duty to study the report and the soundness of its conclusions.

It seems strange to me that the commission failed to understand and appraise the agricultural, social and economic aspects of the project. The commission failed to take advantage of the wealth of factual information available in the Regina office of the P.F.R.A., information amassed by experts over a period of sixteen years, information concerning low rainfall, soil suitability, temperatures, and effects of irrigation on surrounding communities. It failed to take advantage of the advice and experience, available to it, of the officers of the P.F.R.A., their engineers and consultants, experience gained by the construction and operation of similar projects over a period of years, information on water flow, on foundation conditions, on construction of dams and irrigation canals, information and experience backed by the opinion of the most prominent engineers from the United States.

I refer here to Major General Ferguson, consultant to the United States corps of engineers on water conservation and reclamation; to Professor Casagrande of Harvard, soil expert; and to Mr. Harza of Chicago, construction engineer, who have had wide experience in the construction of such projects. The commission failed to appreciate that this is part of a plan to rehabilitate and settle that dry area of Saskatchewan and Alberta, which is the responsibility of the federal government and which responsibility will not be discharged until this project has been completed. The commission failed to consider and properly appraise the social benefits that would accrue to the people of Saskatchewan, and indeed to the people of Canada as a whole.

Let me refer to some of the statements and conclusions of these men, and offer criticisms. My hon. friend who has just preceded me has gone over this in a general way, and I intend to take some of their conclusions and deal with them in detail. I refer you to page 2, paragraph 5, line 10 of the report which reads:

While the best use of water is an urgent consideration in the Saskatchewan river basin, the problem has not been understood in its broadest aspects. Nor have solutions to it been conceived in terms of the fullest ultimate use of available water.

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The scope of the problem is vast so that the selection of projects for water utilization must take into account the general public interest as well as sectional claims.

That is an amazing statement when you consider that the broad problems of water conservation were conceived by the P.F.R.A. sixteen years ago. They have been studying them ever since that time. Surveys and investigations were begun of the South Saskatchewan watershed to serve the public interest. It required ten years to reach the planning and construction stage. The year 1947 saw construction start on the St. Mary project. In 1949 the plans for the development of the Bow river project were completed, and it is now under construction. In 1950 the South Saskatchewan development investigation reached the plan stage.

Now, here is where I think my friend who has just spoken was probably a little unfair to the Minister of Agriculture (Mr. Gardiner) because he accused him of not having built this dam in 1946. At that time the plans and studies leading up to a decision as to whether or not it was feasible had not yet been completed, though they thought it was feasible. In any event men today are working on it, planning, sinking shafts and so on, so I do not think my friend is realistic when he reproaches the Minister of Agriculture for not having built the dam years ago. We are just ready now to proceed to build it.

Engineering surveys on the Red Deer river were completed for preliminary planning in 1951, but further soil investigations require two years' work. Other investigations include extension of the Lethbridge northern project, the eastern irrigation district, and many other projects. All these projects and extensions have been studied by P.F.R.A. and by the prairie provinces water board. Water has been allocated. Yet these people come out and say a study or something of that nature should be made. It is ridiculous.

I refer next to page 2, paragraph 7, lines 3 to 7:

The development of large irrigation projects where they are desirable will foreclose other uses, such as hydroelectric power schemes lower down on the same river.

What a ridiculous statement!

The creation of such a tremendous reservoir by a dam will make possible an equal flow of water throughout the winter. The fact that it can be controlled will do nothing but improve projects lower down the river. The South Saskatchewan project would not foreclose other uses downstream. It has been determined that the proposed hydro plants downstream in Saskatchewan would benefit rather than lose inasmuch as the important low winter flows would be increased from 3,000 cubic feet per second to about 5,000 cubic feet per second. In fact, certain of these hydro plants would become much more economical. It is true that the output of proposed hydro plants in Manitoba would be lowered a little. On the Dauphin river the flow would be decreased 3 per cent and on the Nelson river 1 per cent; yet the commission terms these losses "serious".

I will refer next to page 3, paragraph 8, which says:

Moreover, the large scale abstractive use of water for irrigation in eastern Alberta and western Saskatchewan would be at the expense of a serious loss of hydroelectric power at undeveloped sites on the lower Saskatchewan and Nelson rivers.

I maintain that a reduction of power might take place on the lower Saskatchewan if the dam were not there, but on the lower Saskatchewan a dam and big reservoir of water which I mentioned before would do nothing but improve power conditions.

When we are talking about power do not forget that the studies of power output and the design of the power plant have been based on the assumption that 1,700,000 acres of land would be under irrigation in Alberta. That is about three times the acreage under irrigation there now, and this has been approved by Mr. Ben Russell of the Alberta water resources department. It was only after they had made provision for the land available for irrigation that they calculated the water available for power.

On page 4, paragraph 12, it is stated:

From studies of the project the soils are suitable and the amount of water available is adequate for irrigation development. However, the land is situated in a climatic zone that imposes limitations on the crops that can be grown. Furthermore, a readily available market for specialty crops is not apparent at this time.

The reference to climate in the project area is not substantiated by the facts. The climate and the soils are highly suitable for the production of crops in an irrigation economy. The summary report shows this picture quite clearly. The fact is that most of the project lands lie in one of the very driest areas on the prairies. The town of Outlook, which is the centre of the project, receives less rainfall than Medicine Hat, Alberta. It is only the northern extension of the project, comprising 10 to 20 per cent of the area, near Saskatoon, that could be classified as "fringe-y" from a climate standpoint. The commission has seized on this northern tip of the project and has erroneously applied its climatic conditions to the whole project. This it terms "one of the major criticisms".

In paragraph 14, page 4, the commission refers to the risk of failure of sustained

irrigation for all parts of the project, such as has occurred in certain irrigation projects in Alberta where over 150,000 acres of irrigated land have reverted to dry farming.

Surely they knew that this project, the western project, was started by the C.P.R. as a colonization venture. Some of that land, true, reverted to dry farming, but the soil conditions there are entirely different from those at Outlook. They have heavy soil, and they have from 18 to 20 inches a year precipitation while at Outlook the precipitation is from 8 to 10 inches. The altitude at Outlook is 1,600 to 1,800 feet, while in the C.P.R. irrigation project it runs around 3,000 to 3,500 feet. The danger of frost is much greater in the higher locations and we do not know but that some day they may decide to revert to irrigation to make better use of that land.

On page 4, paragraph 15, they refer to the Mannix estimate, which states that the project can be completed in six years. Our people, the P.F.R.A., in working it out feel that it would take eight to ten years because climatic conditions dictate this period as the most economical to follow in construction.

In paragraph 16 on page 4 they refer to unfavourable foundation and other conditions in relation to the estimates. That is not borne out by the investigations of leading engineers and consultants from the United States whom I have mentioned. They do not confirm such statements in relation to the estimates. The statement by the commission that the P.F.R.A. has underestimated the cost is not fair. I refer to that particular remark of the commission on page 4, paragraph 16:

> Even where construction is less hazardous, the cost is apt to be underestimated, as in the St. Mary-Milk river project where the anticipated final cost of $45 million compares with an original estimate of $15 million.

Surely the commission knew that was an unfair comparison. Surely they knew that from the time that project was started in 1942 it had been greatly expanded in order that we would get our full share of the water from the St. Mary and Belly rivers. Diversion canals had to be created, storage spaces enlarged and redesigned. It was not any mistake in estimating the cost that caused the increased estimate, it was merely that the project was enlarged. Railways had to be diverted, new roads built, and all these additional costs were added to the original estimate. Construction costs have more than doubled since 1942 when the estimates were made, and still the St. Mary dam itself was built for only a 25 per cent increase in cost; but that was built by Canadian contractors.

Now, dealing with pages 4 to 6, paragraphs 17 to 21C of the report, mention is made o estimating the cost of the project. May point out here that no estimates were give upon which the Mannix company could work The P.F.R.A. engineers were closely associate with the project. They knew the type o construction that was necessary, and in addi tion to that the late Beattie Ramsay an Don MacDonald of Bird Construction, gav estimates that were pretty close together When the Mannix people came in they mad an estimate, probably based on the experienc of their engineers who had worked on th Fort Peck dam, and they estimate that th dam in the Saskatchewan river will cos approximately the same as the Fort Pec dam. This dam is only half as long an has three water flumes as compared wit seven tunnels in the Fort Peck dam, yet the say it will cost the same.

I want to point out to you some of th differences that we find in the bidding o these projects. If you examine the tender which have been received by the P.F.R.A for projects since 1945 you will find a grea variation. You will find a variation of 25 pe cent or more in 66 per cent of these bid 50 per cent or more in 37 per cent of th bids; 75 per cent or more in 26 per cent of th bids; and 100 per cent or more in 9 per cer of the bids. During this period 65 contrac were awarded to a total value of $16,120,00 while the total of the high bids amounte to $23,450,000, an over-all variation of 4 per cent. One can see how easily variatio may take place. I do not want to blam the Mannix company. Perhaps they had i view a different method of construction, more costly one, but I do want to point ou some of the inaccuracies or inequalities i the prices submitted.

The P.F.R.A., with wide knowledge of th type of construction and wide experience i it, is competent, I think, to give an accura estimate of the cost of these works. Here a some works which I propose to discuss detail. They include the Meridian da Elbow crossing, securing riprap, and irrig tion estimates. As I have said both the Mer dian dam and the Elbow crossing are typ of structure with which the P.F.R.A. enginee are familiar. They have built many da of this magnitude in western Canada a are familiar with construction work of th kind. The P.F.R.A. estimate is based current costs and knowledge of dams of sim lar magnitude either under construction recently completed, such as the St. Ma Pothole, Travers, Rose Valley, and so on.

There are no special problems or hazar in connection with either the Meridian da

or Elbow crossing. There is no river to handle and no spillways are required, yet these are the comparative estimates. The Meridian dam: Mannix company total cost, including indirect charges, $6,412,000; P.F.R.A. estimate, $4,561,000; a difference of $1,851,000. Then for Elbow crossing we have the Mannix company total cost, including indirect charges, of $7,110,000; P.F.R.A. estimate, $3,609,000; a difference of $3,501,000.

Here is another example, a difference in the cost of securing riprap. The Mannix estimate was based on bringing rock from the Frank slide in Alberta, a distance of 600 miles, at a cost of approximately $14 a cubic yard. The P.F.R.A. estimate is based on harvesting the rock which is available within 40 miles of the dam site, and they received a bid on it of $3.60 per cubic yard. There is a difference in that one item alone of $7 million.

Now, the experience of the P.F.R.A. has shown that they can harvest field stone for the construction of their various projects, and they have been able to get it at an average cost of $4.20 per cubic yard. It is interesting to note that the St. Mary dam is only 100 miles from Frank, and when it was constructed they thought there was not sufficient field stone in that vicinity so they specified stone from Frank for the riprap. The contractor found it more economical to harvest his field stone in the region of the dam rather than bring it from Frank.

I am not an authority on engineering. The P.F.R.A. estimated that their power house would cost $13,800,000. They were basing his estimate on the cost of a similar construction at Pine Falls, except that the waterhead at Pine Falls is only 37 feet while in the Saskatchewan it would be 165 feet. It may be that having this greater weight of water made stronger foundations and stronger generators necessary, and that may account for the difference in cost there.

The P.F.R.A. is presently constructing irrigation distribution systems serving areas of over 400,000 acres in Alberta on the St. Mary-Milk river and the Bow river projects. The P.F.R.A. present estimate for the South Saskatchewan project is $25,500,000 based on their actual current costs, and the present estimate of the cost of the pumping stations based on recent design is $6,500,000, or a total of $32 million for the distribution of water. The estimate made in the commission report is $75 million, a difference of $43 million. In so far as increased costs of labour are concerned, the Mannix estimate provides an item of $10 million for increases in the cost of labour and material. This is only a guess and because of the long period of construction the wage and price trend could reverse. In any event, as costs go up so do benefits, and the ratio can be expected to remain the same. For overhead and profits, the Mannix estimate provides an amount of $15 million for the contractors. I think that is rather high, as it is about 12 per cent of the estimated value of the work. I was under the impression that when contractors tendered on a project of this kind they included their profits.

The commission makes a recommendation upon such projects as have already been completed or are under way. For example in connection with the Qu'Appelle valley project, they recommend that a dam be built at Buffalo Pound lake. Well, that dam was built a couple of years ago. The commission recommends that work be done on the delta of the Saskatchewan river, which has been undertaken along with the Manitoba government. Other soil studies are being made before proceeding further with the project.

In arriving at these astronomical costs, the commission fails to credit the project with the many social and economic benefits which are bound to accrue. I cannot understand how this terrifically accelerated cost was arrived at in view of the estimates based on experience that are put forward by the engineers of the P.F.R.A.

There is one thing that I should like to call to the attention of all hon. members of this house. The construction of the dam is a federal responsibility, and we think it can be built for well under $80 million. The provincial government's responsibility is the construction of the power house and the water distribution system, and I understand that the province is quite willing to accept that responsibility.

I would like to have gone right along with the hon. member for Lake Centre (Mr. Diefenbaker)—I am going to urge the government to build this dam—but the hon. member, while one minute telling us how sure he is that the supporters of the government who are from Saskatchewan will support any move that can be made to have them build this dam, turns around and places before us a motion that puts us in the position of being forced to vote against it. It is a political move to try to put us in the awkward position that if we support his motion we vote want of confidence in the government.

Mr. Diefenbaker: Mr. Speaker, I am glad the hon. member mentioned that point, and I rise on a question of privilege because of that fact. There is no reason whatsoever why a minister of the crown should not make it perfectly clear that this vote is a free vote;

and that is what I want. I have tried to bring this matter before the house as a private motion.

Some hon. Members: Sit down.

Mr. Diefenbaker: No. The hon. member has asked me a fair question and he has been most reasonable. I am answering him in the same spirit. What I want is to have a declaration by the house freed from any question of want of confidence, and I am all for that.

Mr. McCusker: Mr. Speaker, my more experienced advisers—I do not mean more experienced than the hon. member for Lake Centre—or those near me say that on going into supply an amendment like that of the hon. member is a vote of want of confidence and cannot be anything else.

Mr. Knowles: No; not according to the decision on our milk subsidy amendment in 1946.

Mr. Diefenbaker: It was held otherwise in 1946.

Mr. McCusker: In view of that fact, Mr. Speaker, I greatly regret not being able to support the amendment. I should like the hon. member to ascertain whether or not he is correct, and to withdraw his motion if he does not want to place us in an awkward position. I am going to tell him frankly that I do not intend to precipitate an election by voting want of confidence in the present government. I am trying to stay here until we get this dam built.

Mr. P. E. Wright (Melfort): Mr. Speaker, I think perhaps the hon. member should move over to the Senate if he is going to stay here until we get the dam built. I say that on the basis of the promises made in the past and not fulfilled.

However, I do not want to start a political argument. I should like to say this. I do not think a vote for this amendment is a vote of want of confidence, for this reason. I remember that back a few years ago on going into supply we moved an amendment with regard to the subsidy being paid on milk, and this house carried it. One of the ministers, I believe, gave notice that it was not going to be considered as a motion of want of confidence. In this case if the government wishes to place this amendment on the same basis as the amendment that was moved by our group at that time, we can have the opinion of the house on this motion without any vote of want of confidence in the government.

I am sorry that the leader of this group, the hon. member for Rosetown-Biggar (Mr. Coldwell), is not here this evening to take part in this debate. This South Saskatchewan river project has been a favourite subject of his in this house ever since he came here in 1935. He has consistently advocated the construction of this project and the irrigation works necessary to bring it to a successful conclusion in the province of Saskatchewan.

We were disappointed when this royal commission was appointed. From the information that had been given to the people of Saskatchewan by the Minister of Agriculture (Mr. Gardiner) and by P.F.R.A. officials, we had thought that all of the engineering work that was necessary to establish the feasibility and the advisability of this project had already been accomplished and that it was just a matter of waiting until such time as the material and labour were available to go ahead. That has certainly been the suggestion that was given to the people of Saskatchewan. When we found that another commission was to be appointed to go into the whole matter again, it was natural that a great many fears were aroused in the minds of the people of Saskatchewan. When the personnel of that commission was announced, even greater fears were aroused. Inasmuch as this was mainly an irrigation project, we had hoped that there would be two irrigation men and one engineer placed on that commission. We were in hopes that a prominent man on irrigation in the United States would be named as chairman. As a matter of fact, we were given to understand that Mr. Lilienthal, who was the head of the Tennessee valley project in the United States, was being approached to take the chairmanship of this commission. Unfortunately that situation did not develop. We had appointed a commission consisting of Dr. T. H. Hogg, formerly of the Hydro Electric Power Commission of Ontario; Mr. G. A. Gaherty from Montreal, who was an engineer and connected with the Calgary Power Company; and Dr. John A. Widtsoe of Salt Lake City, of the agricultural college there and a real expert on irrigation. Then as secretary of the commission we had Mr. B. T. Richardson.

When that personnel was announced we felt that there were two strikes against the favourable consideration of that project; and the hon. member for Rosetown-Biggar at that time stated that if the government had been desirous of getting a favourable or an unbiased report as far as the irrigation part of the scheme was concerned, it would have been advisable to have two irrigation men on that commission. As a matter of fact the whole handling of this thing, and more particularly the tabling of the report and the advance press notice which was given with

regard to it, have inclined some of us at least to believe that the secretary of the commission was prejudiced against the project. I have in my hand the advance copy that was issued to the press by Mr. Richardson, the secretary of this commission. It states:

South Saskatchewan River Report

Unofficial news summary as a convenience to press and radio, available when report is tabled in House of Commons.

I do not know whether this was another leak, but certainly there were people who seemed to know, at least a month before the report was tabled in the house here, what Mr. Richardson's summary was going to be.

Mr. Knowles: There was not any dam to hold it back, anyway.

Mr. Wright: I do not think this is a fair summary of the report.

When one reads it, he cannot help but feel that this summary picks out all of the unfavourable parts in the official report with respect to the whole project. By giving that to the press as the first intimation, the first view they have of it before they have time to review the whole report, it certainly creates an unfavourable opinion in the press right across the country. On the first page they say:

The commission's report, released by the Prime Minister's office today, noted three major arguments against the project:

(1) Its high cost;

(2) The likelihood of more profitable investment in irrigation elsewhere; and

(3) The need for a broader approach to the question of river development.

You find the same tone in the whole report which was issued by Mr. Richardson to the press as an unofficial news summary for their convenience. In the secretary of the commission perhaps we had a person who was not unbiased as far as the project was concerned.

With regard to the report itself, while it is unfavourable as a whole, there are portions of it which indicate the need for this particular project. Many of the various appendices to the report and the presentations made by the various organizations which presented evidence to the commission in Saskatchewan and throughout other parts of western Canada were not unfavourable to the project and gave very cogent reasons why the whole project should be proceeded with at this time; not at some future date; not, as Mr. Richardson says in the summary, when there is—

(2) Demand for farm products in Canada which, if it were more nearly in balance with production, would require more intensive use of land resources;

(3) A change in the relationship of the price of farm products to construction costs;

(4) Need of public works for the relief of unemployment.

I wonder whether we are not to have any development of our natural resources in this country until we go back in a depression again. That would be the impression one would get from reading Mr. Richardson's summary of the findings of this commission. If that is so, this dam should have been built back in the 1930's. We had unlimited amounts of cement in Canada at that time; we had unlimited amounts of labour in Canada at that time. We were giving men ten cents a day to kill time, to carry a piece of stone from one side of the road to the other, when they could have been used in more constructive work such as this South Saskatchewan river dam; and there was certainly need for it at that time.

The need for the construction of this dam becomes more evident as you read the history of agriculture in the province of Saskatchewan over the years. In their presentation to the commission the Saskatchewan government indicated the tremendous fluctuations in agricultural income in that province over the years. In 1937, one of the worst drought years they had in that province, the total sale of farm products in Saskatchewan amounted to some $36 million. That was the cash return to the farmers of Saskatchewan in that year. Last year the return to the farmers of that province was well over $400 million, with approximately the same acreage under cultivation, which goes to show the tremendous fluctuations in production that we have in our province because of atmospheric conditions, weather conditions, over which we have no control. The building of a project such as this in the central part of the drought area in Saskatchewan, which would irrigate some 425,000 to 450,000 acres of land, would provide in the centre of the province where it is needed the fodder which would enable the province to have a more diversified agriculture. I think that is one of the strongest arguments for the construction of the South Saskatchewan river dam.

The Minister of Agriculture over the years, both when he was in the province of Saskatchewan and since coming to Ottawa, has urged that in western Canada, if we are to overcome some of the difficulties with which agriculture is faced there, one of the things we must have is a greater diversification of our agricultural production. I do not agree with some of the methods which the Minister of Agriculture has been endeavouring to use over the last few years to secure that result. As a matter of fact, I think some of the methods that have been adopted have had

just the reverse effect, and that is quite evident from the decrease in production of certain of our agricultural products in western Canada. But this project would give stability to our agricultural production.

It was never suggested that this scheme, when it was first put into operation, would pay direct dividends. Practically no irrigation scheme that has ever been built has paid even the interest on the investment necessary to inaugurate the scheme during the first ten or fifteen years, yet very few of these irrigation schemes have not paid dividends in the course of twenty-five or fifty years. They have not only paid dividends in better living conditions for the people who live there, but in actual dollars and cents to the economy of the country that had the foresight, the initiative and the resources to go ahead and develop the irrigation projects and carry them to a successful conclusion.

Almost invariably the irrigation projects that have failed have been those in which the project was undercapitalized, where too great a share of the original cost was passed on immediately to the farmer who was trying to operate a unit in that irrigation district. In every case where that was done, where too large a share of the cost was passed on immediately to the operator of the farm, that scheme failed because the farmer, unable to bear that cost, became discouraged, was unable to get the necessary seed, the necessary equipment and the necessary capital to develop his individual farm and to make a financial success of it.

Where governments have had the foresight to absorb, as the central authority, the major portion of the cost of these developments, then invariably the economy as a whole has been well paid over the years through the better production and the greater consumption in that area of goods and services provided by other parts of the country. That is what would happen in the South Saskatchewan river development. It would be not only a benefit to the immediate area concerned, but to all of Canada. It would be a benefit to eastern Canada through the creation of a market for a greater share of the products of the east, the products of the factories and of the various firms which produce the agricultural implements and the services which would be required in that area. The greater production in that area would be reflected in greater freight shipments to other parts of Canada. It would be reflected in the annual statements of the railroads, of the banks, and of the other organizations which go to make up this country whose head offices are in eastern Canada but who are supplying services to western Canada. This project is not a Saskatchewan project, it is not just a western project, it is a project for Canada as a whole as well as for the people who may be situated in that particular area.

The Saskatchewan government from the beginning have been prepared to assume their fair share of the cost of this project, and that is evident from the report itself. There was a report in the press by some correspondents that would leave some doubt as to whether the Saskatchewan government, in view of the larger costs indicated in the report of the commission, would be prepared to go ahead and assume their share of those costs. I do not know how anyone could have got that impression; certainly they could not have got it if they had read the general submission by the government. Here is what the Saskatchewan government said in their submission to the commission, as appears on page 360 of the report:

> I have attempted to touch on two of the major needs of agriculture in Saskatchewan (apart from market and price considerations). There is great need firstly for assured feed supplies to permit increased diversification of the economy through livestock production and, secondly, for new land on which to resettle insecure farmers.

I shall deal with that later, and I shall also deal at somewhat greater length with the question of cost.

> Neither of these needs can be adequately filled without the central Saskatchewan development. Construction of this project will be a great step forward towards meeting the need for a mature and stable agricultural economy in Saskatchewan. How can we merely calculate in terms of dollars and cents what it might be worth to us. Is it any wonder that the government of this province is anxious and ready to make its investment in the project—that we are so eager to see it started.

When this press report appeared the premier of Saskatchewan wrote a letter to the Prime Minister (Mr. St. Laurent) in which he stated quite definitely the position of the Saskatchewan government with regard to this project. He said:

> In order that there may be no misunderstanding on anyone's part, may I refer you to my letter to the Right Hon. J. G. Gardiner of February 10, 1951, copy of which I am enclosing. At that time the Saskatchewan government expressed its faith in the soundness of the South Saskatchewan river project and declared its willingness to meet its share of the cost. Nothing in the findings of the royal commission has altered our opinion in this regard. When the federal government is prepared to proceed with the South Saskatchewan river project, the Saskatchewan government stands ready to enter into an agreement committing itself to pay its share of the cost.

There can be no doubt that as far as the government of Saskatchewan are concerned they are prepared to go ahead with their share of this project whenever the federal government are prepared to build the dam.

South Saskatchewan River Project

The hon. member for Regina City (Mr. McCusker) and the hon. member for Lake Centre (Mr. Diefenbaker) dealt with the cost of this dam as indicated by the commission. Mr. B. T. Richardson, in his summary to the press, indicated that the commission estimated the cost of the dam at $250 million. He stated that this would tend to place a great burden upon the land or upon the farmers. He goes on to indicate the various ways in which this might be divided, but he ends up by suggesting that each farm unit, which would be approximately 160 acres, would be saddled with a cost of some $70,000 for the construction of this dam and the delivery of water to the unit.

Of course that is a ridiculous cost as far as a single unit is concerned. I think it is also a ridiculous cost as far as the total project is concerned. The estimate of the engineers of the P.F.R.A. was something over $80 million for the construction of the dam, allowing for the increase in costs since the original estimate was made, and $35 million to $37 million for the cost of the water distribution system.

It is interesting to note that while the commission secured the services of the Mannix company of Edmonton to give them an estimate of the cost and the engineers of that company appeared before the commission, P.F.R.A. officials were not given an opportunity to question those costs. I think it would have been only fair for the commission to call the officials who had made the original estimate. Not only did the commission not call those engineers, apparently the government in Ottawa agreed that those officials should not be called.

On January 28 the Prime Minister answered a question which had been asked by the hon. member for Assiniboia (Mr. Argue) which appears on page 1399 of *Hansard* and is as follows:

> This commission was established to get information which the government did not already have and to make recommendations to it. As the commissioners had access to all the records and technical advice of the P.F.R.A., it was not necessary for them to have formal appearances by federal officials at public hearings. The government shared this view and gave this opinion to the officials of the P.F.R.A.
>
> In reaching that conclusion, the government had in mind the fact that it would not be fair to place civil servants in a false position by requiring them to appear publicly and express opinions on matters on which the Minister of Agriculture and the government as a whole had subsequently to reach decisions.

It was not necessary to place the P.F.R.A. officials in that invidious position by calling them before the commission. The engineers might have been called to check the costs submitted by the Mannix company. They had years of experience in the construction of dams—perhaps not of the size of this project—in Alberta and they had figures with regard to the costs of construction which had been obtained from other sources. They knew the cost of moving dirt in the area in which this dam was to be built. They had firsthand knowledge as to what costs in this particular area were likely to be. Surely they should have been called by the commission and allowed to check the figures given by this firm from outside the province of Saskatchewan. I am not saying that firm was not reliable, but I do think that the P.F.R.A. officials who had the knowledge of this subject and who had made previous estimates should have been called and allowed to give their evidence.

There is a reference in the report to the press by Mr. Richardson to the development of an area in the Carrot river valley triangle close to The Pas in Manitoba. He states that there are 100,000 acres there which might be developed. Not only is that project under consideration; work is actually being done there.

Neither Mr. Richardson nor the commissioners make a full recommendation as to the possibilities in that northeasterly part of Saskatchewan. As a matter of fact there are not only 100,000 acres there that can be developed. Reliable estimates have been made of that area, and it is stated that there are between 2·5 and 3 million acres of land there that can be developed by certain diking and drainage projects; not 100,000 acres but 3 million acres. That development is in part at least dependent on the construction of flood controls on other parts of the Saskatchewan river, and the South Saskatchewan river dam would be one of those flood control projects. This area in the northeastern part of the province of Saskatchewan and in the northwestern part of the province of Manitoba and the estuary of the Carrot and Saskatchewan rivers is flooded periodically through overflow from the Saskatchewan river in the peak of the flood of that river which usually occurs late in June when the snows are melting in the mountains.

As a result that area cannot be developed until certain flood controls are placed in the Saskatchewan river either at its headwaters or on the river at Elbow where it is proposed that this dam will be constructed. When that flood control is placed there, then it will make more easily available this 2·5 to 3 million acres of land in the northeastern part of Saskatchewan and in Manitoba. That is some of the most valuable land in the Dominion of Canada. It is the type of land that you see in the Red river valley around

the Portage plains, that you see in the Regina plains or in the Red river valley in North Dakota. It is silt land that has accumulated there over thousands of years. It is deep and productive. All that is needed is drainage and the necessary flood control measures in order to bring that land under production.

When this South Saskatchewan river dam is constructed it will make it that much easier to provide the necessary controls and to bring this huge area in the northeastern part of the province under cultivation and production. The area that it is proposed to irrigate from the South Saskatchewan river dam is not in the heart of the real drought area but on the edge of it. That is one of the reasons given by the commissioners and by Mr. Richardson in his unofficial news summary as to why the project should not be proceeded with. Nevertheless this area is so placed that it is adjacent to much of the drought area, and the construction of the dam and the irrigation of the area will enable the provision of feed for stock and feed for ranchers in the drought area itself.

The necessity for these feed banks is most apparent when one goes back and reads the history of what happened in Saskatchewan during the former drought period. In the Saskatchewan submission they say, as found at page 358 of the report of the commission:

> Farmers throughout the prairie parts of Saskatchewan know only too well what a crop failure means when livestock are kept. Our worst experience was in 1937. Between September 1, 1937 and August 31, 1938, more than 450,000 tons of fodder were shipped by governmental agencies—this even after a liquidation of 611,574 cattle for canning purposes at 1-1½ cents per pound had occurred.

The entire livestock population of the huge area in the central part of Saskatchewan, the southern part of Alberta and the southwestern part of Manitoba had to be liquidated in 1937 because even with the shipping of this tremendous amount of fodder into the area there still was not enough feed. They go on to say:

> In that year alone more than $3,500,000 was spent in freight moving hay, feed grain and seed. We hope that this will not happen again—

Mark this.

> —but in each of the years 1945, 1947, 1948 and 1949, it was necessary to ship hay into Saskatchewan to supply areas that had suffered a failure of hay crops. During that period hay was moved from The Pas, Manitoba, to Prince Albert and Saskatoon, from Brock, Alberta to Moose Jaw and Swift Current, even from the interlake country of Manitoba as far as Saskatoon, with freight charges, as far back as 1948 running to $10 per ton.

The construction of this dam would make available right in the centre of that drought area reserves of fodder which would enable farmers there to carry on more diversified agriculture, to keep livestock and to keep them with the knowledge that they were not going to have to sacrifice them for 1½ cents a pound as they did in 1937 and 1938. Until we have some security in the form of additional fodder in the province of Saskatchewan, we can never have the diversified agriculture in that province that I am sure every member of parliament and every business organization in that province would like to see there.

The Saskatchewan government has itself been trying to meet some of the needs for irrigation and some of the needs for the development of better feed reserves in that province. I should like hon. members to note that in 1945-46 the department of agriculture of the province of Saskatchewan had a budget of $826,000, while in 1952-53 their budget was $3,666,000. Much of that money is being spent in the development of feed reserves for livestock in the province. The department of agriculture of Saskatchewan has set up a new conservation and development branch charged with the responsibility of undertaking the physical development of irrigation, drainage and dry land projects. This branch has an appropriation of nearly $1,350,000 for the year 1952-53.

It is well to mention that previous to the inauguration of this branch there were no engineering specialists and no equipment in the department to implement this program. Since the development of this branch engineers have been hired and the scope of the activities of the branch can be gauged by the fact that 45 water users' associations are now organized. Water has been brought to 50,000 acres of land by the province of Saskatchewan over and above the good work done by the P.F.R.A. in this regard in Alberta, Saskatchewan and Manitoba. There have been 145 miles of ditch constructed, 475,000 acres of dry land projects developed, and a million acres of land affected by drainage improvements.

I could go on and give a further review of the efforts that are being made by the province of Saskatchewan to solve some of their own problems with respect to this matter but there is a limit to the resources of a province, and I believe that limit has been reached by the province in the development of the projects under their control. I am not saying they are not going to continue to spend money. They are going to continue to spend it in increasing amounts on these developments.

Their financial resources are not such that they can enter into a project of the size of the South Saskatchewan river dam and ever hope to carry the load of financing.

That is the reason we in the province of Saskatchewan are so anxious that the dominion government go ahead with this project now. We feel that it is essential as far as Saskatchewan is concerned, and that is why I think you will find at least every member from Saskatchewan on his feet expressing his views on this project, urging the federal government not to shelve the thing, not to come in with some half-hearted promise that they are going to set aside a little money to make a further survey or to make a small development with the hope that in the future —twenty years from now—this may be completed.

I hope the government will come through with something that is worth while; and that in spite of some of the unfavourable aspects of this report, the government will recognize its responsibilities. I say "its responsibilities" because it was the federal government of Canada which opened for settlement much of the drought area in the provinces of Saskatchewan and Alberta. It was while those lands were under their control that they were homesteaded and put to a use which was not a proper long-term use for those lands.

I hope the government at this session will come down with something definite; that they are accepting their responsibility and that they are going to go ahead with that development. I wish to move an amendment to the amendment moved by the hon. member for Lake Centre (Mr. Diefenbaker). His amendment read:

> This house regrets that in the estimates presented to this house no provision has been made for immediately proceeding with the construction of the South Saskatchewan river dam.

I move, seconded by the hon. member for Assiniboia (Mr. Argue), that the amendment be amended by adding at the end thereof the following words:

> as recommended by the federal government's P.F.R.A. engineers.

Mr. Deputy Speaker: Shall I now call it ten o'clock?

Some hon. Members: Ten o'clock.

On motion of Mr. Larson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, I move that the house do now adjourn. Tomorrow we will take up the third reading of Bill No. 103, to amend the National Defence Act. Then we will take up Bill No. 7, to amend the Loan Companies Act, and Bill No. 8, to amend the Trust Companies Act. I understand those are very short bills, just amendments to those acts. Then we will revert to this motion to go into supply.

Motion agreed to and the house adjourned at 9.55 p.m.

HOUSE OF COMMONS

Wednesday, February 4, 1953

The house met at 2.30 p.m.

COMBINES INVESTIGATION ACT

TABLING OF REPORT OF INVESTIGATION INTO SALE OF COARSE PAPERS IN BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I wish to table the report of the combines investigation commissioner on the investigation into an alleged combine in the supply, distribution and sale of coarse papers and related products in British Columbia.

CANADA SHIPPING ACT

SHIPS RELIEVED FROM COMPLIANCE WITH CERTAIN PROVISIONS

Hon. Lionel Chevrier (Minister of Transport: I beg leave to table reports indicating the cases in which ships were relieved from compliance with steamship requirements under the authority of section 488A of the Canada Shipping Act, 1934, during the past year, and also reports indicating the cases in which ships were exempted under the provisions of section 133A of the Canada Shipping Act, 1934, from the obligation of carrying certificated masters, mates or engineers during the past year.

[*Later:*]

Mr. G. R. Pearkes (Nanaimo): I would direct a question to the Minister of Transport (Mr. Chevrier) arising out of the reports that he has just tabled. Are the vessels of the Ming Sung company in the reports which were tabled?

Mr. Chevrier: The answer is no. The exemptions for those vessels were withdrawn last year.

Mr. Graydon: Did you ever find those ships?

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR ABOLITION OF CAPITAL PUNISHMENT

Mr. W. Ross Thatcher (Moose Jaw) moved for leave to introduce Bill No. 108, to amend the Criminal Code (capital punishment).

Some hon. Members: Explain.

Mr. Thatcher: The purpose of this bill is to abolish capital punishment in Canada and to substitute life imprisonment therefor.

Mr. Cruickshank: Are you worried, Ross?

Motion agreed to and bill read the first time.

QUESTIONS

WHEAT, CLASS II—BRITISH PURCHASES

Mr. Argue:

1. What quantity of its agreed purchase of 115 million bushels of wheat from Canada has it been agreed that the United Kingdom will purchase at the class II price?
2. What additional sum of money is involved at the prevailing class II price?

Mr. McIlraith:

1. 200,000 long tons, the equivalent of 7,466,666 bushels.

2. The quantity of wheat which the United Kingdom has agreed to purchase on a class II basis is to be priced at the class II price in effect at the time of offering, which will be between now and next August. As at January 29 the class II prices for the milling grades of wheat were 37 cents per bushel over the I.W.A. prices. On this basis the sum involved is $2,762,666.

WHEAT AGREEMENT—EXCESS BRITISH PURCHASES

Mr. Argue:

1. What quantity of wheat in excess of our international wheat agreement United Kingdom allotment did Canada sell to the United Kingdom in 1951-52, at the lower I.W.A. price?
2. What was the reduction in the sum of money Canada received for this quantity of wheat, as compared to the sum we would have received at the average class II price for 1951-52?

Mr. McIlraith:

1. Nil.

2. Answered by No. 1.

WHEAT—BRITISH PURCHASES, 1951-52

Mr. Argue:

1. What quantity of wheat did the United Kingdom purchase in the crop year 1951-52, at the international wheat agreement price?
2. What quantity of wheat did the United Kingdom purchase in 1951-52, at the class II price?

Mr. McIlraith:

1. 98,621,333 bushels as wheat; 19,493,333 bushels of flour in wheat equivalent; 118,-114,666 total wheat equivalent.

2. 1,500,000 bushels of No. 5 wheat.

Questions

GAMMA GLOBULIN

Mr. Applewhaite:

1. Has any action been taken by the federal government for the testing of gamma globulin as a protection against paralytic poliomyelitis?
2. If so, is the federal government making any financial contribution towards such a test?
3. Will any action be taken to control the distribution of gamma globulin?

Mr. McCusker:

1. Yes. Arrangements have just been completed for a test in Canada of gamma globulin to evaluate its usefulness as a protection against paralytic poliomyelitis.

2. A grant of $67,000 from federal public health research funds has been allotted to buy special equipment needed to prepare an initial quantity of gamma globulin. Production of this substance in Canada will be handled by the Connaught Medical Research Laboratories, Toronto.

3. On the recommendation of a conference of provincial public health and research experts recently held under the chairmanship of the federal deputy minister of health a standing committee consisting of representatives of provincial public health and research institutions and medical schools is being formed. Its main function will be to keep constantly in touch with the polio situation and to ensure the most effective distribution of the limited supply of gamma globulin which will be available.

GRAND ETANG, N.S.—GOVERNMENT WORK

Mr. Brooks:

1. Has any federal government work been done at Grand Etang, Inverness county, Nova Scotia, during the past two years?
2. If so, what has been the nature of the work?
3. How was the work done, and at what cost to the public?

Mr. Fournier (Hull):

1. Yes.

2. (a) Rebuilding superstructure of headblock of east pier.

(b) Repairing the stem of the west wharf.

3. By day labour.

(a) $3,552.81.

(b) $995.54.

TELEVISION STATION, OTTAWA

Mr. Courtemanche:

1. Is it the intention of the Canadian Broadcasting Corporation to construct a television station at Ottawa or in the district?
2. If so, (a) will the site of the transmitter of the said television station be in the Laurentians? If not, where will it be; (b) what reasons have determined the choice of the site for such transmitter; (c) will French programs be broadcast by such transmitter; (d) what will be the proportion of such French programs and the time of performances in French, during the daily operating period of the new station; (e) what will be the principal performances broadcast for the French-speaking population; (f) will the new station be recognized as bilingual?

[Mr. McIlraith.]

Mr. McCann:

1. Yes.

2. (a) The site of a transmitter has not yet been determined.

(b) See (a).

(c) Program plans for the station have not yet been worked out but it has been the intention of the corporation that it should broadcast French as well as English language programs.

(d), (e) and (f). See (c).

BERTHIER-MASKINONGE COUNTY, QUE.—BRIDGE

Mr. Balcer:

1. To whom was the contract awarded for the construction of a bridge connecting Berthierville, Ile-aux-Castors and Ile St. Ignace, in the county of Berthier-Maskinonge?
2. On what date and for what amount?
3. On what date should the work be completed?
4. What amount has been paid, up to the present, on the said contract?
5. Was a sub-contract awarded for the erection of embankments and the preparation and paving of approaches to such bridge?
6. If so, to whom were the said sub-contracts awarded and for what amount?

Mr. Fournier (Hull):

1. R. A. Blyth, Toronto, Ont.

2. (a) October 27, 1951.

(b) $334,824.

3. June, 1953.

4. $183,732.67.

5. No.

6. Answered by No. 5.

UNEMPLOYMENT INSURANCE ADVISORY COMMITTEE—RECOMMENDATIONS

Mr. Knowles:

1. Has the unemployment insurance advisory committee made any recommendations with respect to any changes in the rates of unemployment insurance benefits or any changes in the rates of unemployment insurance premiums arising out of a consideration of the amount of money now in the unemployment insurance fund?
2. If so, what are the terms of such recommendations?
3. Have such recommendations been considered (a) by the unemployment insurance commission; (b) by the government?
4. What is the result of such consideration?
5. Has the unemployment insurance advisory committee made any recommendation with respect to the continuing of unemployment insurance benefits to unemployed persons who become ill while on claim?
6. If so, what are the terms of any such recommendation?

7. Has any such recommendation been considered (a) by the unemployment insurance commission; (b) by the government?

8. What is the result of such consideration?

Mr. Gregg:

1. No, not specifically arising out of the consideration of the amount of money in the unemployment insurance fund; however, as a result of reports from the unemployment insurance commission and representations from labour union federations, the committee recommended to the government at its meetings in July 1951 and April 1952 certain changes in the act and concurred in changes recommended by the unemployment insurance commission in certain regulations.

2. (a) The reduction of the waiting period by three days.

(b) Amendment of section 35 (1) (b) to give the commission power by regulation to defer the waiting period when a benefit year terminates during a period when the claimant is unemployed.

(c) The increase in the scale of benefit rates raising the maximum rate for a beneficiary with a dependent from $21 to $24, with comparable increases in other rates, with no increase in contribution rates.

(d) The period during which supplementary benefit may be paid to be extended from March 31 to April 15.

3. The unemployment insurance commission recommended these changes to the government and they were put into effect by act of parliament assented to on July 4, 1952. In addition, the commission by regulation provided for the postponement of the waiting period where a benefit year commences within fourteen days of the termination of the previous benefit year and where the claimant was employed for less than six days during that two-week period; and another regulation provided for the payment of benefit during a holiday shut-down of more than one week where no pay was received from the employer.

4. Answered by No. 3.

5. No, the unemployment insurance commission and the advisory committee have found the problem most difficult of solution but are now giving it further consideration.

6, 7 and 8. Answered by No. 5.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FORD MOTOR CO.—AIRCRAFT WING PANELS

Mr. Fulton:

1. Was any contract, sub-contract, agreement, sub-agreement or arrangement whatsoever let or entered into at any time by (a) the government of Canada or any department or agency thereof; or (b) by Canadair Limited, to or with the Ford Motor Company of Canada for production, manufacture or any other process or stage of production or manufacture of main wing panels or other parts of (i) F86 Sabre jets by whatever mark, number or letter the same may have been described; or (ii) T33 training aircraft?

2. If so, (a) when was the contract, sub-contract, agreement, sub-agreement, or arrangement let or entered into; (b) for how many units; (c) what was the total amount of money involved or to be involved, in each case?

3. Were any units produced under such contract, sub-contract, agreement, sub-agreement, or arrangement? If so, how many?

4. Is the contract, etc., still in effect?

5. If so, when is delivery expected to start?

6. If not, when was it cancelled?

7. If cancelled, by whom was it cancelled, upon whose instructions, and for what reasons?

8. Did the government, or any department or agency thereof, or any other person or corporation, supply or pay for any plant or equipment for the purposes thereof, the cost of which is charged or will be charged to the dominion treasury? If so, what was or will be the cost?

9. Has any other money been paid by or on account of the government, or is any other money or payment of any sort to fall due which will ultimately be chargeable to the dominion treasury, by virtue of such contract, etc. and/or its cancellation?

10. Have any claims been made by the Ford Company against (a) the government of Canada or any department or agency thereof; (b) Canadair Limited, in respect of such contract, etc. and/or cancellation?

11. If so, (a) for how much; (b) how much has been paid?

12. Has any such contract, etc., as referred to in part one hereof been let to or entered into with any other person or corporation, or are negotiations with respect thereto being carried on, by (a) the government of Canada or any department or agency thereof; or (b) Canadair Limited?

13. If so, to or with whom?

ENAMEL AND HEATING PRODUCTS LTD.—EMPENNAGES

Mr. Fulton:

1. Was any contract, sub-contract, agreement, sub-agreement or arrangement whatsoever let or entered into at any time by, (a) the government of Canada or any department or agency thereof or (b) Canadair Limited, to or with Enamel and Heating Products Limited, Sackville, New Brunswick, for production, manufacture or any other process or stage of production or manufacture of empennages or other parts of (i) F86 Sabre jets by whatever mark, number, or letter the same may have been described; or (ii) T33 training aircraft?

2. If so, (a) when was the contract, sub-contract, agreement, sub-agreement, or arrangement let or entered into; (b) for how many units; (c) what was the total amount of money involved or to be involved, in each case?

3. Were any units produced under such contract, sub-contract, agreement, sub-agreement or arrangement? If so, how many?

4. Is the contract, etc., still in effect?

5. If so, when is delivery expected to start?

6. Did the government, or any department or agency thereof, or any other person or corporation, supply or pay for any plant or equipment for the purposes thereof, the cost of which is charged

or will be charged to the dominion treasury? If so, what was or will be the cost?

7. Has any money been paid by or on account of the government, or has any money, claim or payment been made by any other person or corporation which will eventually be chargeable to the dominion treasury, by virtue of such contract, etc.? If so, how much?

NATIONAL FILM BOARD—HEAD OFFICE

Mr. Fulton:

1. Has a site been acquired, or have arrangements or negotiations for the acquisition thereof been commenced, for a head office or central administrative location for the national film board? If so, (a) at what location; (b) how large; (c) on whose authority; (d) for what price?

2. Have any plans, sketches or other preparations whatsoever been made for the erection of a building on the site? If so, what are the particulars of the type and amount of accommodation, and are these matters still being considered, or have they been decided on?

3. Have any expenditures been made to date in connection therewith apart from the amount paid, if any, for the site? If so, how much, for what purpose or purposes, and on what authority?

4. Is authority being asked for further commitments or expenditures during this fiscal year? If so, how much, for what purpose or purposes, and under what item in the estimates?

5. What is estimated to be the final total cost of the complete project as envisaged?

FLOODS

POSSIBLE IMMIGRATION TO CANADA OF REFUGEES

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, with your permission I would like to ask the Minister of Citizenship and Immigration (Mr. Harris) a question. Has the minister made any plans or does he intend to make any plans to make it possible for those left destitute by floods in the old lands to come to Canada? Is the door to Canada wide open to those people?

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, the hon. member for Fort William (Mr. McIvor) telephoned me regarding this subject a short time ago. As everyone would expect of him, he was warm-hearted and concerned about the people who at the moment have been left homeless.

An hon. Member: As we all are.

Mr. Harris: We have given consideration to the problem and while it will be true that a great many of those people will want to continue their lives where they are, there will be some who will find it impossible to do so. There may even be among them some who had before this disaster contemplated emigrating to Canada. We have directed the offices abroad today that the assisted passage scheme, which is now open to the single worker or head of the family, should be broadened to include dependents of the worker as well.

Some hon. Members: Hear, hear.

Mr. Harris: This will make it possible for the head of the family to come to Canada with his dependents without depleting his already depleted resources by the payment of somewhat heavy transportation costs.

If the circumstances as we learn them would indicate that some other step can be taken to aid those who would like to come to Canada at this time, we shall give consideration to it, bearing in mind the fact that people from the United Kingdom, Belgium and the Netherlands have been migrating to Canada since the war in goodly numbers and that they are the best of citizens when they come here.

Mr. McIvor: Mr. Speaker, that is very good and I say "thanks".

Mr. W. J. Browne (St. John's West): Mr. Speaker, I would like to ask a supplementary question there. I notice that the chancellor of West Germany the other day said that he was expecting that some of the refugees from East Germany were likely to go to Canada. Has that been considered?

Mr. Harris: Mr. Speaker, I presume my hon. friend was not present when the hon. member for Kamloops (Mr. Fulton) raised that matter the other day. My answer at that time was that we had not heard of the proposal, and that is still the answer.

HEALTH INSURANCE

INQUIRY AS TO POSSIBLE LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I address a question to the Minister of National Health and Welfare (Mr. Martin). I was going to ask the minister this question yesterday but he is getting so slight I could not see him over there.

Can the minister say when he is going to make the announcement with respect to health insurance which one of his colleagues in the cabinet said recently would be made at this session of parliament?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend knows that whenever an announcement is made it is always made by the government at a time chosen by the government. I do not know

what my hon. friend is referring to but I think he will find that my answer is as definite as the question.

Mr. Knowles: See the Minister of Fisheries (Mr. Sinclair).

EXTERNAL AFFAIRS

STRATEGIC MATERIALS GOING TO U.S.S.R.

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to address a question to the Secretary of State for External Affairs (Mr. Pearson), arising out of an article in the current issue of *Life* magazine to the effect that strategic metals and aluminum from Canada are finding their way to the U.S.S.R. Is the minister in a position to say what is being done to prevent such a condition if it exists?

Hon. L. B. Pearson (Secretary of State for External Affairs): I will have to look into the matter but I can say now that there are international arrangements in which Canada participates to ensure that strategic metals do not get to the wrong destination. I think those arrangements are working reasonably well although they are probably not 100 per cent satisfactory. Indeed, during world war II such arrangements were not 100 per cent perfect. I will look into the matter and see if I can make a further report.

EDUCATION

IMPLEMENTATION OF MASSEY COMMISSION REPORT REGARDING UNIVERSITY SCHOLARSHIPS

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I would like to address a question to the Prime Minister (Mr. St. Laurent) of which I sent him notice. Has the government received a brief from the national federation of Canadian university students asking for action on the Massey commission's report in regard to university scholarships? If so, has it been considered and what action is proposed?

Mr. Speaker: I think that is the type of question which should appear on the order paper.

SUGAR

INQUIRY AS TO POLICY REGARDING IMPORTATION OF REFINED CUBAN SUGAR

On the orders of the day:

Mr. J. W. Murphy (Lambton [illegible]): I would like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce (Mr. McIlraith). In view of a statement made by the Minister of Trade and Commerce (Mr. Howe) yesterday in Havana, Cuba, as reported in today's press, can the parliamentary assistant inform the house what action has been taken with respect to the importation of refined Cuban sugar into Canada?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): No, Mr. Speaker.

Mr. Murphy: I wonder if I could ask a supplementary question of the parliamentary assistant in view of the answer he has given. Is he in a position to say whether the government will take any action respecting the importation of refined sugar into Canada, and take it now?

Mr. McIlraith: Mr. Speaker, I am not in a position to say whether the government will take any action on that matter. It is quite obvious that I cannot state that. I may say that the minister is in Cuba today and it would be quite improper for me to try to forecast what will be the result of the meetings he is now attending.

Some hon. Members: Hear, hear.

LABOUR CONDITIONS

ALLEGED MALTREATMENT OF UNION MEMBERS—CANADIAN COPPER REFINERIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice (Mr. Garson). Has the minister's attention been drawn to reports of maltreatment by the police of union members out on strike against Canadian Copper Refiners, Limited, in Montreal East? Will the minister look into this matter to make sure that the rights of these workers as Canadian citizens are protected and that the principles of justice are not being violated?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, my attention has been drawn to the newspaper account in question by the hon. member for Winnipeg North Centre (Mr. Knowles). I have seen it in the Montreal *Gazette* this morning. Other than that I have no knowledge of the matter.

While we are quite willing to look into the matter as he suggested, and shall do so, I would point out to him that, so far as the newspaper account seems to indicate, this is a matter that would clearly come within the administration of justice which, under section 92, paragraph 14, of the British North America Act, is the exclusive responsibility of the province.

National Defence Act

COMBINES INVESTIGATION ACT

INQUIRY AS TO PENDING PROSECUTIONS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the Minister of Justice (Mr. Garson) in connection with the combines report which he just tabled. Are there any pending prosecutions at the present time, and particularly in regard to the alleged combine in the production of fine papers?

Hon. Stuart S. Garson (Minister of Justice): In reply to my hon. friend's question, if he means that an information has been laid and that it is pending in that sense, the answer would be no. If I let the answer remain at that point, however, I think it would mislead the house. We are at the present time considering prosecution in the fine papers case.

Mr. Diefenbaker: Having counsel's advice?

NATIONAL DEFENCE ACT

PROVISION FOR APPOINTMENT OF ASSOCIATE MINISTER OF NATIONAL DEFENCE

Right Hon. L. S. St. Laurent (Prime Minister) moved the third reading of Bill No. 103, to amend the National Defence Act.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, during the debate on second reading of this bill it was made abundantly clear by members on this side of the house that they considered that it was necessary to give some assistance to the Minister of National Defence (Mr. Claxton) in order to correct the general breakdown in the administration of his department which had been disclosed; and also to ensure the efficient functioning of that department in the future. Members on this side of the house feel that unless the duties of the assistant minister are clearly defined, and if he is only given loose powers of supervision over the administration of all branches in that department, the Minister of National Defence will not be released from the overburden of responsibility which has led to the breakdown in the department.

In order to correct this situation we have recommended that an associate minister for air, with definite responsibilities, be appointed, thus relieving the present minister from some of his duties.

I therefore move, seconded by the hon. member for Calgary East (Mr. Harkness):

That the said bill be not now read the third time, but that it be referred back to the committee of the whole for the purpose of amending section 1 thereof by adding the words "for air" after the word "defence" in the sixth line thereof; and by adding the words "for air" after the word "defence" in the eleventh line thereof; and for the purpose of amending section 2 thereof by adding the words "for air" after the word "defence" in the sixth line thereof; and by adding the words "for air" after the word "defence" in the eleventh line thereof.

Mr. Jean François Pouliot (Temiscouata): I rise to oppose the amendment because it is untimely and meaningless. There are three branches in national defence, the militia, the navy and the air. At the present time, in virtue of this legislation, there are two associate ministers for the whole Department of National Defence which administers the three branches, the militia, the navy and the air. I cannot understand how an hon. gentleman, with the experience of the hon. member for Nanaimo (Mr. Pearkes), does not make the necessary distinction between the land and sea forces as he does for the air. His amendment refers only to the air service. He seems to be satisfied that there will be an associate minister for the militia and for the navy, which are two entirely different units. I do not see why he jumps at once in the air for a third minister of national defence.

This, sir, is my understanding. I do not realize the usefulness of having a third minister of national defence for air services when the two who are actually in office are entitled to look after the administration of the three branches of the armed forces. There is more to it. The idea of the hon. gentleman, and of the members of his party, apparently is to give more responsibility to the minister. Both ministers of national defence will enjoy a limited degree of jurisdiction over the department in virtue of the order in council that will be passed in due course or that has been passed by the government. Therefore, sir, in virtue of the legislation presently before us, the duties conferred upon both ministers are given to them by the government itself.

In his previous speech on the matter, and in the previous speeches of the hon. gentlemen of his party who spoke on this matter, reference was made to the responsibilities of the minister. If I understand the meaning of the amendment before the house, the hon. member who sponsored the amendment had in view the suggestion of limiting the responsibility of each minister. He did not do so for the land and sea services, but he intends to do so for the air service. I cannot conceive why a gentleman and a parliamentarian of his experience has not dealt with the basis of responsibility of the associate ministers of national defence. He knows what I am coming to, and I am sure that when I am through with what I am

going to say he will honour me by concurring entirely with me. It appears to be a difficult proposition, but I have enough confidence in the good judgment, the experience and wisdom of the hon. gentleman to be sure that he will agree with me. I say that because of my deep conviction that common sense should be at the basis of all parliamentary debates, in order that the legislation coming before the house and passed by it shall serve its ultimate purpose for the good government of this country.

Well now, sir, that being said, what is the responsibility of the minister? It exists inasmuch as he is the master of his department just the same as the hon. gentleman was master of his divisional unit, the one he was commanding during the war. If there were members of that unit who were coming from different units, as soon as they were put under his command he had full authority over them. Is that true or is it not? Nobody will disagree with that statement. Therefore, Mr. Speaker, my conclusion is that the ministers of national defence, —any one of them, any one of the associate ministers; when I say "the ministers of national defence" the term applies to both ministers—in order to have direct responsibility to the House of Commons for the dealings of their department, must have authority over each one of the civil servants or high officials who are within the Department of National Defence. I presume that everybody agrees with me in that statement. How can we say that any minister of national defence has any responsibility to the House of Commons with regard to men who belong to another department? Would it be fair? Would it be just? It would not be. Pure and simple common sense teaches us that it is important that each minister—and I say that not only as to the Department of National Defence but as to the department of any one of the cabinet ministers—should have direct, immediate and complete jurisdiction over all those within the department.

Why do the cabinet ministers bring their estimates before the House of Commons of Canada? They do so in order to render account of the dealings of their department and of the payments made by the department to anyone, not only for salaries and wages but for all kinds of expenditures that are approved by the department.

In any contract what is required? It is the consensus of one about a definite thing, whether it be a thing to buy or a thing to do. An essential part of a contract also is the payment that is made whether it be payment of salaries, of wages, for services or for things that are delivered to the purchaser. In this case the Minister of National Defence has no authority whatever concerning the payment made on behalf of his department. Those payments are not made by officials of his department. Those payments are made by the officials of another department who are intruders within the department. The minister has no authority over the treasury officials in his department who are under the comptroller of the treasury and who are under the Minister of Finance (Mr. Abbott). I do not make that statement in order to complain of the Minister of Finance. I do so in order to bring to the attention of my hon. colleagues some facts that I hope will provide them with food for thought.

May I quote an example? Right here within this House of Commons the treasury officials are not civil servants under the authority of Mr. Speaker; they belong to the Department of Finance. They are a branch of the comptroller of the treasury. The cheques that are issued here are issued by the House of Commons branch of the comptroller of the treasury. Here in the House of Commons we have elevator men but they are not under Mr. Speaker; they are under the Minister of Public Works (Mr. Fournier). Our speeches are translated but they are not translated by men who are under the direct jurisdiction of Mr. Speaker as they were in days gone by. They are translated by men who belong to the bureau for translations and who are under the Secretary of State Department. I could quote other examples but I content myself with giving only a few in order that the house may understand my contention well enough that they may say I am not out of order when I discuss these matters which are of vital importance to each member of the cabinet and to each member of the house.

Any one of the ministers of national defence cannot buy a soldier's cap or a sailor's cap; he has to make a requisition for it. When the legislation was changed I said that the then minister of national defence, who was transferred to another department some time afterward, had been emasculated as to his political jurisdiction over his own staff. Why can they not order the purchase of one thing for any one of the branches of the department? The answer is that they are not responsible for the payment for that thing; it comes under the Department of Finance.

I also remember that the national defence purchasing board was established in order to supply the Department of National Defence

with the things that were requisitioned by the minister. For many years, Mr. Speaker, the Minister of National Defence has had no authority whatever with regard to the payments made by his department, and which should be made by his department but are effectively made by the Department of Finance through the office of the comptroller of the treasury.

That change which was made by the late Mr. Bennett had a considerable effect upon the jurisdiction and the responsibility of the Minister of National Defence. In order to give an idea of the growth of the comptroller of the treasury's office, on July 3, 1935, at page 4198 of *Hansard*, the late Mr. Mackenzie King said:

> The appropriation in the main estimates for this office was $1,576,851, an increase of $7,112 over the vote of the previous year. We are now being asked to vote an additional $80,000—

So the total amount that was voted for the comptroller of the treasury's office in 1935 was $1,586,000. And if I look at the public accounts for 1951-52 I see that the expenditures in 1950-51 were $12,719,000 for the same purpose; in 1951-52 the amount was $14,030,092, and the appropriations in 1951-52 were $14,246,433. These numbers are in italics in the public accounts for 1951-52. The increase has been nearly tenfold in the last seventeen years.

According to a chart of May, 1938, there were 79 employees of the comptroller of the treasury in the Ottawa office of the Department of National Defence and there were 73 in the outside offices, making a total of 152. There must be ten times as many now, because the cost of keeping that office is approximately ten times as much as it was seventeen years ago. Would it be fair to say that neither of the associate ministers of national defence has any responsibility to the House of Commons for dealing with those men who do not come under him in the department? They do not have to listen to any minister of national defence, but they have to listen to the Minister of Finance and they are supposedly independent of all the other ministers, including the head of the government.

They may make concessions, but according to the legislation that has been passed, and the orders in council relating thereto, this is the situation that we have to face now. That is why I ask the hon. gentleman who has proposed the amendment to listen to the words of Mr. Mackenzie King on March 22, 1934, as reported at page 1713 of *Hansard*:

> Mr. Mackenzie King: I do think it is most important that parliament should retain the power, which it has had for fifty years, of exercising control over public expenditures in the manner in

which formerly it did. I submit that at the time the bill was introduced the house was not given to understand that the new appointment of comptroller provided by the act meant any withdrawal from the Auditor General of this particular function, which is the most important of all he formerly had, and placing it in the hands of an officer of one of the departments of government. Had the house so understood, I am sure there would have been strong opposition to such a proposal, and that the house would never have consented thereto. I am not sure that when the government brought in the bill its members appreciated the fact that this would be the consequence.

And there is more to it. If one knows how this legislation operates by statute and by order in council, it is the present Auditor General who was appointed the first comptroller of the treasury in 1931. I remember at the time that the then deputy minister of finance was coming fresh from a banking firm of Chicago, the Strauss firm. He had not the same experience as he had when he died, and he was full of ideas on centralization. He succeeded very easily in convincing the Prime Minister (Mr. Bennett) that his proposal was the best that could be accepted, and he had in his department a gentleman who had very little experience in accounting, and who has acquired more experience since, especially since he has become Auditor General. But this was concocted by two people, by the late W. C. Clark, the deputy minister of finance, and Mr. Sellar, the first comptroller of the treasury who is now Auditor General.

If one appreciates the truth and exactitude of what I have said since I rose this afternoon, how can the Auditor General blame the Minister of National Defence and the Department of National Defence for anything that is done by men who are not under the control and jurisdiction of the Department of National Defence? It seems to be clear enough, sir. The only way out is to give full responsibility to both associate ministers of national defence. These are my concluding words. The only way out is to abolish the office of the comptroller of the treasury and restore parliamentary responsibility in each department in order that each minister of any department should be responsible to the house for all that is done within his department, for the payments as well as for the orders. And that, sir, I leave to the meditation of my hon. friend from Nanaimo and to my colleagues in the house. I wonder if they will say publicly that they agree with me. I consider that they are sincere gentlemen, and I know very well that in the bottom of their hearts they will agree with me, even if they do not say so. And, moreover, I am very positive that they will join me—

Mr. Cardiff: You have a great imagination.

Mr. Pouliot: Well, I am sorry the hon. gentleman did not catch the point I made. But he needs to meditate a little more. And if he does he will realize that what I have said is based upon parliamentary practice in England. What has been done has been done according to American expediency. Centralization was an American inspiration, while parliamentary responsibility is British to the core.

And that is all I want. I want to be fair to everyone. I am sure that my friends from all sides of the house, when they think over this matter, will join me in protesting against the system of centralization under the comptroller of the treasury, that they will support my contention that the office of the comptroller of the treasury should be abolished. With their support, in a very short time we will succeed, for the good of the country.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, by some devious form of reasoning the hon. member for Temiscouata (Mr. Pouliot) seems to have offered the peculiar argument that the deficiencies which have been brought to light recently in the Department of National Defence should be laid at the door of the late Lord Bennett, the late Dr. Clark and the present Auditor General.

It seems to me the hon member, in his complaint with respect to financial control in the Department of National Defence and in other departments, is confusing decisions made in any one department in respect of the spending of money, and matters of administration connected with those expenditures, with accounting methods used in connection with the spending of those moneys.

So far as I know, treasury branch officials in the Department of National Defence have nothing to do with deciding what moneys allotted to defence shall be spent for that purpose. They merely make sure that whatever sums are voted by parliament shall be spent for the particular projects to which they are allocated. The decision as to what will be spent, and the actual handling of expenditures, is not in the hands of treasury branch officials at all.

Without going into the other arguments offered by the hon. member, it seems to me that what happened during the war is sufficient proof that his argument has no validity whatever. In wartime we had a situation such as we now recommend, namely that there should be a minister for air. When I first came to the House of Commons there was a minister of national defence and, in addition, a minister for air. In 1945 the other defence ministry had disappeared, and only two were left.

In other words we had at that time exactly the situation we now recommend. There seemed to be no complaint in those days. I believe therefore that what I say disposes of the other arguments the hon. member has offered. We have suggested that there should be a minister for air. It has been suggested over and over again in the house by members on all sides that our defence effort should be concentrated on the air. If one may judge by the money allocated to this purpose, this is being carried into effect by the government. Almost half the present defence allotment is to be spent on air defence. It is because of this we have recommended that a minister for air be appointed, and that he be given definite responsibilities in respect of the air arm.

I think all hon. members will agree that the situation which has prevailed in the Department of National Defence has not been a satisfactory one. Confusion has existed, and as a result of that confusion inefficiency has manifested itself in various ways. The remedy proposed by the government to end that confusion and inefficiency is to appoint an associate minister having indeterminate powers. It is indicated that, so far as there is anything particular about it, he shall have charge of administrative affairs. But policy and administration are so closely intertwined that it will be extremely difficult for the associate minister to know what his responsibilities are, and what he is supposed to do. The great weakness in the whole thing is that the duties and responsibilities of the new associate minister will not be definitely defined. It seems therefore to a great number of us that the confusion which now exists in the department will be worse confounded by the move now proposed.

I do not think there is any need to repeat the numerous arguments supporting the course we have proposed. There can be no doubt however that, if the government could see fit to adopt it, our proposal would bring about much greater efficiency in the transaction of business in the Department of National Defence.

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

Some hon. Members: Yea.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the amendment lost.

Amendment (Mr. Pearkes) negatived on division.

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

Mr. Harkness: On division.

Motion agreed to, bill read the third time and passed.

LOAN COMPANIES ACT

INVESTMENT IN BONDS ISSUED BY INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 7, to amend the Loan Companies Act.

Mr. Jean Lesage (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, the purpose of this bill is to amend the Loan Companies Act in order to allow companies incorporated thereunder to invest in bonds issued by the international bank for reconstruction and development.

Canada has been a member of this bank from the time of its establishment after the end of the war and has co-operated actively in furthering its objectives. The bank has made a steadily increasing volume of well-considered developmental loans. As a result of these loans as well as by constructive advice which the bank is able to give to the governments of underdeveloped countries in the formulation and the development of appropriate projects for financing, the bank is believed to be making an important contribution to world peace and prosperity.

In addition to the use of its own paid-up capital, the bank obtains funds by the issue of loans from time to time, chiefly in the United States market. It has not been considered desirable that the bank should be wholly limited to the United States market for borrowed funds. In February, 1952, therefore, as an earnest of its desire to give practical co-operation in the furtherance of the bank's objectives, Canada permitted the bank to make a public offering of its bonds in Canada and the bank made a successful issue of $15 million in the Canadian market.

The bonds of the bank are given a high investment rating by the recognized investment services. In 1947 the Canadian and British Insurance Companies Act was amended to permit our insurance companies to invest in these bonds. Permitting loan companies, subject to federal jurisdiction, to invest funds in these bonds will help to broaden further the market for them and should assist the bank in connection with further financing which it may be permitted to attempt in Canada.

The international bank for reconstruction and development was established to provide and facilitate international investment for increasing production, raising living standards and helping to bring about a better balance in world trade. The bank began its operations in 1946. At the end of August, 1952, the bank had made seventy-two loans amounting to nearly $1,500 million in twenty-seven of its member countries and two of their overseas territories.

The fifty-four member nations of the bank are its stockholders, and the money which the bank lends is provided partly by them. When a country becomes a member it pays 2 per cent of its stock subscription in gold or dollars and 18 per cent in its own currency. The bank may lend from the 18 per cent funds only with permission of the member concerned. The remaining 80 per cent is not paid to the bank and is subject to call only if the bank should need some part of it to meet its obligations. The Canadian subscription was $325 million of which 20 per cent has been paid, or $65 million.

The bank derives the remainder of its loanable funds from the sale of its own securities in the capital markets of the world. The total amount of the bank's securities now outstanding is about $500 million. Of this amount $450 million has been raised in the United States market, $15 million in Canadian dollars in the Canadian market, $14 million in pounds sterling in the United Kingdom, and the remainder in Swiss francs in Switzerland.

All payments of interest and principal from borrowers have been received as due up to date. In its first year the bank operated at a deficit of almost $1 million. In succeeding years it has had increasing net earnings ranging from $4 million in 1947-48 to over $15·5 million in 1951-52. These earnings have been carried to a general reserve which on June 30, 1952, amounted to $58 million. A special reserve, derived from a 1 per cent commission which the bank's charter requires it to charge on all loans, amounted to $27·7 million. Total reserves therefore amounted to $85·7 million. The bank may lend to governments or to other borrowers. Loans to other borrowers have the guarantee of the member government concerned.

The bank's first loans, amounting to almost $500 million, were made to help in the post-war reconstruction of France, the Netherlands, Denmark and Luxembourg. Subsequent loans in Europe have been made to modernize and improve production and transportation facilities. In 1948 the bank began lending in less developed countries. Most of its loans, and about half the money it has lent, have been used to provide foreign exchange needed for projects in these underdeveloped countries. The loans have been made principally for the creation or improvement of basic facilities such as power, roads, railways and irrigation.

The amounts lent do not measure the magnitude or the total costs of these projects. The bank normally finances only the foreign exchange costs of imported equipment and services needed to complete projects; usually the larger part of the cost of any project is met by the borrower. The total cost of projects completed or going forward with the help of bank financing amounts to more than $3 billion. Canada of course is highly interested in increasing production, raising living standards and especially, as an exporting country, in helping to bring about easier conditions in world trade. That is the reason for the amendment.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, we have had a very clear statement of the purposes of this measure, and I have no criticism to offer. There are some questions I should like to ask when we get into committee. It seems to me that a prima facie case has been made, and I think it is worth commenting—certainly from my point of view it is satisfactory—that this appears to be one bit of international financial mechanism which has really worked according to plan and which we can only hope will go on increasing its influence and usefulness.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson in the chair.

On section 1—*Debentures, bonds, stocks, and securities of Canada, provinces, United Kingdom, United States, etc.*

Mr. Macdonnell (Greenwood): I should like to ask the parliamentary assistant if he can give us some information indicating not merely what loans have been made but whether the demand is completely fulfilled. Have there been other desirable loans which it has not been possible to make? While I am on my feet, let me ask a further question. The parliamentary assistant made it quite clear that the primary guarantee was not merely that of the borrower in the case of a private concern but of the government concerned also. Does the bank in fact take security, like an ordinary commercial bank, on the assets involved or does it rely wholly on the guarantee of the borrower and the government?

Mr. Lesage: According to my information, it relies on the guarantee of the borrower and the government, but most of the loans have been made to governments and for government projects. With respect to the first question of the hon. member for Greenwood, he asked whether there is a large unsatisfied demand for loans in underdeveloped countries. Do I understand that is the question?

Mr. Macdonnell (Greenwood): Or anywhere.

Mr. Lesage: The answer is yes, especially in underdeveloped countries. When I was at the meeting of the economic and social council last summer in New York we discussed the world bank and a proposition was put forward for the establishment of an international finance corporation which would supplement the work of the world bank and lend to individuals, individual corporations or organizations in various countries without any government guarantee. Of course, as my hon. friend is aware, the demand is even greater than that, and the underdeveloped countries, under the guidance of Mr. Santa Cruz from Chile, have asked for the last two years, in the general assembly and the economic and social council, that forthright grants for development be made by the United States, Canada, the United Kingdom, France and other countries to all underdeveloped countries.

Mr. Low: Mr. Chairman, the parliamentary assistant to the Minister of Finance may have mentioned the rate of interest charged by the bank but if so I did not catch it. I wonder if he could tell the committee whether the bank charges the same rate of interest in all cases or is it graduated according to risk and security?

Mr. Lesage: Mr. Chairman, the bank does not charge the same rate in all cases. It is according to the risk or the securities offered. The rates, according to a statement contained in the seventh annual report of the bank, from what I can see by a quick reading, would range from 3½ per cent to 4¾ per cent or thereabouts. That includes the 1 per cent commission which is payable to the bank on all loans.

Mr. Fraser: May I ask a question? As a result of the flood conditions at the present

time Holland and Belgium could come along and ask for loans from the bank to rebuild their dikes.

Mr. Lesage: Yes, Mr. Chairman, they could. It is a question of arranging it with the authorities of the bank.

Mr. Fraser: What rate would they be charged in that case?

Mr. Lesage: Well, I do not know. That is a matter to be arranged between the governments concerned and the bank. It all depends on the securities offered. The loans are not all direct loans. It very often happens that the borrowing country will issue bonds of its own which will be sold in the public markets of the world either with or without the guarantee of the bank. For instance, when The Netherlands borrowed money to buy ships on July 15, 1948, they paid with obligations of The Netherlands which were sold by the bank on the markets of the world at the rate of $3\frac{9}{16}$ per cent.

Mr. Macdonnell (Greenwood): Concerning the question I asked a moment ago, let me remind the committee that what we are doing is approving this form of investments as a proper form of investment for those who have the trust moneys of Canadian citizens to invest. Therefore, it is relevant to point out, as the parliamentary assistant has done, that the running of this bank is done on a business basis. He pointed out that something like $1 billion has been loaned, of which some $500 million has been repaid in instalments on loans. That would be a very healthy condition in so far as that test is concerned—a very usual test and which speaks much for the safety of the loan. However, I want to come back and ask this other question. From what I understood the parliamentary assistant to say a few moments ago, the bank has not been able to take all of the business offered. We hear on all sides the statement, which I think we all accept, that one of the best and one of the necessary safeguards against world unrest—I think Mr. Truman called it point four—is that we should try in every way to assist underdeveloped countries to help themselves. I would like to ask how far, if the parliamentary assistant can tell us without a lot of detail, these unsatisfied demands or requests for loans were turned down because they were considered not good risks, and how far they were turned down simply because the bank ran out of funds.

That leads me to ask one other question before I take my seat. What subscriptions from fellow member nations have not yet been paid? If I understand correctly, not a very high percentage of the underwriting of the various nations has been paid. If I am wrong I can be corrected.

[Mr. Fraser.]

Mr. Lesage: Mr. Chairman, may I be permitted to correct the hon. member for Greenwood. All the original members of the bank have paid their 20 per cent except China and Czechoslovakia.

Mr. Macdonnell (Greenwood): Twenty per cent?

Mr. Lesage: Twenty per cent: 2 per cent in American currency or gold and 18 per cent in their own currency.

Mr. Macdonnell (Greenwood): What about the other 80 per cent?

Mr. Lesage: The other 80 per cent is not payable unless there is default on a loan and the bank is unable with its surpluses, its reserves and its cash to pay off the default. It is only if the bank has to go to the members of the bank in those circumstances that the balance is payable.

Mr. Macdonnell (Greenwood): In effect, does that mean that only 20 per cent is really a subscription to the bank to enable it to carry on business and the other 80 per cent is in the form of reserve or guarantee? That of course operates to strengthen the loan but it seems to me that it also operates to cut down by $\frac{4}{5}$ or 80 per cent the bank's loanable funds—that is not quite right because there are other funds which the bank gets—but it does cut down by 80 per cent the subscriptions from member nations. I am not saying that is not right, but I do want to say it is maybe almost undue caution and I would ask the parliamentary assistant if it is not hampering the operations of the bank; and whether, having regard to the fact that the bank has been in business for several years, and has 50 per cent of its loans repaid—a very high percentage in such a short time—they are not falling over backwards in the matter of conservatism. I rather blush to suggest that could happen, nevertheless we do want this to operate at full efficiency. Perhaps the matter has been considered and perhaps there is a reason that has not become clear yet, but I would like to have his comment.

Mr. Lesage: The conditions requiring 20 per cent to be paid—2 per cent American currency or gold and 18 per cent in the member's currency—and 80 per cent to be called only in case of default, are contained in the articles of agreement which were approved by this house in 1945. They are covered by article II, sections 5 and 7, and article IV, section 7.

Mr. Macdonnell (Greenwood): Well, yes, Mr. Chairman, I realize that, but 1945 is eight years ago. There has been a lot of experience since that time. I suppose that eight years ago this project was unprecedented. I would hesitate to say that the world was more unsettled eight years ago than it is today; nevertheless we have had eight years of experience and I would think we have had eight years of talk about the necessity of doing everything of this kind that we can to assist development.

I realize that the government of Canada cannot decide these things but I would suggest to the parliamentary assistant that we might very well ask whether what was done eight years ago was necessarily like the laws of the Medes and the Persians; or whether our government might not consider suggesting that with eight years' experience—and apparently very good experience as lenders with 50 per cent of the loans repaid—they could not launch out a bit. I am basing this on the one statement that they have not been able to accept the amount of business offering. Would I be correct in saying that part of this business has had to be turned down merely for lack of funds?

Mr. Lesage: Mr. Chairman, no demands for loans have been turned down because of lack of funds. When they were turned down it was because the necessary guarantees were not offered. I explained that quite clearly when I was talking about the international bank making loans on a sound business basis. After all, as the hon. member has said himself, we are going to allow people in Canada who are administering trust funds to lend money to this international bank. Surely we could not do that if that bank was not administered according to sound business practices.

Secondly, if I mentioned the proposed international finance corporation, I did it only to distinguish between loans made to governments or to borrowers guaranteed by governments and others. I was saying that the underdeveloped countries wanted to go further and asked for a finance corporation which would make loans which would not be guaranteed by governments. I said that this is still under study in the economic and social council.

Third, there is this huge demand for outright gifts. I was just making plain the difference between the three, so that it would be very clear that we believe that any investment of money in the bonds of the international bank is sound business because the bank is operated according to sound business practices. Personally, I do not know of demands for loans from the bank that have been refused. It is like going to a bank manager; you have to agree on the terms. It is quite possible that some demands for loans could not be granted because there was no agreement on the terms or on the guarantee; that is possible.

Mr. Macdonnell (Greenwood): I do not think there is any difference between the parliamentary assistant and myself as to what is desirable. I quite agree that these loans must be safe. In view of what has been said, that loans have not had to be turned down through lack of funds, then I think we merely come back to this question—I shall not dwell on it—as to whether or not the terms are unnecessarily stiff. I do not think there is any point in my adding anything more.

I should like to ask a further question as to the marketing of these securities. I have in my hand the report of the international bank dated December 15, 1952. There is a reference here to the successful marketing in Canada and to the not so successful marketing of the last $100 million in the United States. They say here that the first $100 million United States issue of September, 1951, was an initial success. Then, later it says:

> As matters developed, however, it became apparent that many banks and dealers . . . were interested more in subscribing for the bonds with hopes of an immediate rise in their market price, rather than in stimulating interest in the bonds among the investing community.

That is rather unfortunate. That was in September, 1951, and I wonder if the parliamentary assistant can say anything as to the standing of those bonds, as to the marketing of those bonds in the United States since that time, bearing in mind, as I said a few minutes ago, that it looks as if this part of the international financial mechanism had worked and seems to me highly desirable that every effort should be made to make it work on as large a scale as possible consistent with safety, which obviously we have to have if we are going to permit trust funds to be invested.

Mr. Lesage: What date was that offering in the United States?

Mr. Macdonnell (Greenwood): It was September 12, 1951.

Mr. Lesage: I have no information about this offering in the United States, except that it was sold. I know that. I know that the offering of $15 million in Canada in 1952 was very successful, and was sold at par.

Mr. Macdonnell (Greenwood): It has a three-quarters per cent higher rate.

Mr. Lesage: It was offered at par, 4 per cent 10-year bonds. They were dated February, 1952, to mature in February, 1962.

Mr. Macdonnell (Greenwood): I do not think I need to carry the discussion further. I would hope that what has taken place would at least warrant a review of the situation. After all, it is not a final answer to say that when we were exploring this matter in 1945 certain regulations were laid down. I think eight years later it would be eminently reasonable to say that the matter might be re-explored with a view to taking whatever action seemed reasonable.

Mr. Fraser: Will the parliamentary assistant say whether the bonds that were sold in 1952 are at par on the market today?

Mr. Lesage: I do not know, sir.

Mr. Jones: The hon. member for Greenwood has referred to the conservative attitude of this bank, and I hope that the suggestion that it be reviewed is accepted. I should like to know if any borrowers have defaulted on principal or interest up until now?

Mr. Lesage: No, sir, as I mentioned in my statement on second reading.

Mr. Diefenbaker: I have one or two questions I should like to ask the parliamentary assistant. He is fully acquainted with these matters because of his experience in Paris and New York, and I am sure he will be glad to furnish the committee with the information I have in mind. Certainly the assistance of underdeveloped countries, in order to permit them to rehabilitate themselves and thereby defeat the spectre of poverty with which they are faced, is one of the most important activities of the United Nations. Defence has a large place, but moneys devoted to enabling people to face the future without fear may go a long way towards raising those standards which will ultimately afford a bulwark against the advance of communism.

I am wondering whether or not the parliamentary assistant has statistics available to him indicating the degree to which loans to underdeveloped countries are expected to be advanced during the next several years. What are the plans? Is it being found that what has been done is having a beneficial effect in proportion to the amount of moneys that have been advanced by the various nations within the United Nations? Certainly, the world situation today demands action of this kind. Some 150 years ago, when the Malthusian theory of population and food was first advanced, it was regarded as without economic foundation. Now, we find ourselves in the position that the population of the world is increasing at the rate of 25 million a year, and that within a matter of 90 years the population of the world will have doubled. Food production is not keeping pace with the population increase.

The purpose that the United Nations has in mind is to enable these countries to produce for themselves. Is the parliamentary assistant in a position to say what the definite plans are for the next few years? When he is making a reply, would he let the committee know the degree to which Canada has contributed to this by private investment through the purchase of bonds, such as the bond issue to which he referred that was floated in 1952 and prior thereto?

Mr. Lesage: Mr. Chairman, the Canadian contribution to the world bank, as I have said, is a subscription of $325 million of which 20 per cent or $65 million is paid up. The contribution was made up of 2 per cent in United States dollars or gold and the balance of 18 per cent in Canadian dollars. There has been an issue of $15 million on the Canadian market; that was last year, in 1952. Also some Canadian investors bought some bonds of the United States issue. For instance, I know that the insurance companies of Canada bought over $2 million in the last public offering in the United States of which the hon. member for Greenwood was speaking.

The plans for the future are to carry on along the same lines as the bank has been following and to lend money to underdeveloped countries as much as possible under the conditions laid down in the agreement, to further the raising of the standards of living, and to help the backward countries of the world grow more food. As a matter of fact, if the committee will allow me to do so I should like to give only a few examples which I find in the report made by Mr. Eugene R. Black, president of the bank, on June 16, 1952, to the economic and social council of the United Nations, in New York. He says:

> In the fertile fields of Chile, in the tropical valleys and upland plains of Colombia, across the mountainous countryside of Nicaragua, you would see hundreds of new tractors at work, helping the farmers to grow more food.
>
> In the central plain of India, you would see at work a fleet of 240 much heavier tractors—one of the largest tractor fleets in the world—which has already cleared nearly half a million acres of rich land previously almost useless for cultivation because of the encroachment of a stubborn and vigorous weed.

It is the same in Colombia, in Ethiopia, in Finland and in Yugoslavia. In France, Belgium and Luxembourg the bank has helped the steel industry. In India and in

South Africa locomotives and rolling stock have been purchased from Canada with bank funds. As a matter of fact—and this answers more definitely one of the questions asked by the hon. member for Lake Centre—Canadian dollars have been used, for instance, to buy in Canada locomotives and railway equipment for India and electrical equipment for Brazil and Mexico for hydroelectric developments which those countries could undertake.

The bank is certainly doing one of the best jobs that can be done in the world in order to help backward countries raise the standards of living of their people.

Before I sit down I should like to make a correction with regard to one thing said by the hon. member for Greenwood. I believe he misunderstood me when he said half the loans had been repaid or reimbursed to the bank. That is not the fact. Up to date the loans amount to $1,412 million. Of this amount—and that is probably why the hon. member for Greenwood made that error—$102 million of loans are not yet effective. There have been nearly $30 million in cancellations and refundings. Repayments to the bank amount to a little bit over $10 million. The effective loans outstanding held by the bank amount to $1,213 million, of which the principal amount disbursed is $876 million and the undisbursed balance is $403 million.

Mr. Jeffery: I should like to ask a question of the parliamentary assistant. Are the borrowing powers of the bank limited in any way in comparison with their capital or can they go on borrowing to any extent? Before I sit down I should like to express a little bit of surprise at the suggestion of the hon. member for Greenwood that the taxpayers' money should be taken and advanced to the bank as long as they are in a position to borrow money from private finance.

Mr. Lesage: Mr. Chairman, of course the borrowing limit of the bank will be set by the governors of the bank. There is a governor of the bank for each member country.

Mr. Jeffery: In other words there is no safety guarantee as to whether they could borrow three or four times the amount of the responsibility of the people who participate in the bank?

Mr. Lesage: I believe that the voting power, as it is described among the members of the bank, is an extremely safe guarantee that the bank will not go too far.

Mr. Quelch: Will the parliamentary assistant say something about the change in policy with regard to the organizations who will be borrowing under this legislation, or the groups of people? I understand that in some of the backward countries it will be possible for certain organizations to borrow money, but they will actually be paying two or three rates of interest. They will be paying the rate of the interest of the initial investor, the rate of interest of the bank and also the rate of the financial institution in the country that borrows it. I saw in the paper a report to the effect that that rate of interest would probably be about 6 per cent to the ultimate borrower. Would that be about correct?

Mr. Lesage: I do not quite understand the question asked by the hon. member. Does he contend that when somebody borrows from the bank he will have to pay interest to the original investor?

Mr. Quelch: That would be included in it. That would be part of the cost or the rate that he pays.

Mr. Lesage: No. A few moments ago I gave the rates on loans, and that is all there is to be paid. That included the one per cent of commission. I think I gave that in answer to a question asked by the hon. member for Peace River. The rate of interest varies from 3½ per cent to 4¾ per cent.

Mr. Quelch: Would that be true under the new policy that is being adopted by the bank?

Mr. Lesage: I do not know of any new policy adopted by the bank. I have the reports of the bank, and there is no new policy as to the rates of interest. The rates of interest are given here in the report; I refer to the seventh annual report. Those rates include everything.

Mr. Quelch: I mentioned the matter because a great deal of publicity was given in the New York *Times*, I think it was, to the fact that they are widening the scope as to the kind of organizations that would be able to borrow under this legislation, and they pointed out that a proper rate of interest to this group would be over 6 per cent.

Mr. Lesage: My hon. friend must have read about the proposed finance corporation which is still under study. That is probably the answer.

Mr. Low: That is subsidiary?

Mr. Lesage: Exactly.

Mr. Low: That is what I was referring to.

Section agreed to.

Sections 2 and 3 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Robinson): When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

Mr. Fournier (Hull): By leave of the house.

Mr. Fournier, Hull (for Mr. Abbott) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

TRUST COMPANIES ACT

INVESTMENT IN BONDS ISSUED BY INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 8, to amend the Trust Companies Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson in the chair.

Mr. Macdonnell (Greenwood): This bill is on all fours with the other, and what has been said already is entirely relevant and I think covers the situation.

On section 1—*Debentures, bonds, stocks and securities of Canada, provinces, United Kingdom, United States, etc.*

Mr. Lesage: I was asked a moment ago on the other bill if there was any limitation to the bank's loans. I should like to refer to the articles of agreement which can be found in the second schedule of chapter 11 of the statutes for 1945. Article III, section 3, reads as follows:

> The total amount outstanding of guarantees, participations in loans and direct loans made by the bank shall not be increased at any time, if by such increase the total would exceed one hundred per cent of the unimpaired subscribed capital, reserves and surplus of the bank.

Mr. Knowles: One simple little question. Paragraph (c) of clause 1 contains the words "the United Kingdom", and they are underlined, indicating that a change has been made. I presume it is a matter of terminology. Can the parliamentary assistant say what the wording was before?

Mr. Lesage: Yes; it was "the government of Great Britain and Northern Ireland".

Section agreed to.

Sections 2 to 5 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SUPPLY

IRRIGATION—SOUTH SASKATCHEWAN RIVER DAM

The house resumed, from Tuesday, February 3, consideration of the motion of Mr. Fournier (Hull) for committee of supply, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Wright.

[Mr. Low.]

Mr. F. H. Larson (Kindersley): Mr. Speaker, in continuing this debate on the South Saskatchewan project there are a few remarks I wish to make. First I should like to say that I am very happy to agree with almost everything the hon. member for Lake Centre (Mr. Diefenbaker) had to say about this matter on Tuesday night. I am speaking for myself, but I know that all members of this party on this side of the house, from our province especially, are as much interested in the development of this project as he is. In addition, this government has consistently voted money to carry on the investigations that are required before a project of this magnitude can be brought to fruition. That would certainly indicate a good deal of government interest in it.

I should like to quote the words of the Prime Minister himself, when he spoke in the committee of supply considering agriculture estimates, as reported at page 3945 of *Hansard* of June 28, 1952. He was referring to the several major projects that were under consideration, among them the St. Lawrence seaway, and he said:

> The third project was the South Saskatchewan river project. This is of particular interest to the central provinces, but it is also of interest to the whole of Canada to have Canada developed in such a manner that there will be no depressed areas in this country.

When the urgency of debating this seemed to be greatest, on Friday night, the Minister of Agriculture (Mr. Gardiner) was away on government business. The person who has put the most into this project, in its initiation and in the engineering investigation, is the Minister of Agriculture himself. I submit that in all fairness to that minister this debate should be carried on, as it is being carried on at the present time, when he is in his place in the house. I know it would be considered a great thing politically by certain parties in this house if members supporting the government were jockeyed into the position, in voting on the amendment put forward by the opposition, where they would have to choose between appearing to vote for this project and against the government, or vote for the government and against the project. We have had enough political discussions over this thing. We want this project built.

A good deal has been said in Saskatchewan about my position personally. I said in Saskatchewan and I say on the floor of this

house that it is necessary to build this irrigation project for the reasons I will enumerate. But I think enough has been said about it politically already, and I believe we should get down to the essential merits of the project.

I should like it clearly understood at this time that while I am completely in favour of this project, and I will speak for it on the floor of the house, I am not going to vote lack of confidence in this government in an appearance of voting for the project. Some members of this house, particularly the hon. member for Lake Centre, are opposed to this government. He feels that if this government were not in power we would get the project quicker. I am in favour of this government, and I submit to the house that this is probably the only government that will ever build this project, and I propose to go along with it on that basis.

Mr. Fraser: It will never be built, then.

Mr. Larson: The house is well aware of the terrible drought conditions that can exist in Saskatchewan. I have made reference to them myself. The hon. member for Maple Creek (Mr. Studer) has discussed those conditions and so have others. At this time I do not think there is any reason to recite them to indicate the necessity of carrying on a major irrigation project in Saskatchewan.

Our sister province of Alberta has gone a long way in irrigation. They have well over a million acres of land under irrigation, or with projects under construction at the present time. I submit very strongly that it is Saskatchewan's turn to have her irrigation resources developed. While that development involves this project—I think the P.F.R.A. people have taken this up—I feel that before I sit down I can show that the problems in the way of the project are not nearly as insurmountable as they were recorded, or appear to be recorded, by the royal commission.

My personal feelings in the matter are that appointing this royal commission was sort of threshing away at old straw. The facts, as they stand out, had been covered by the P.F.R.A. long before this commission was appointed, and I do not think the commission ever would have been appointed had it not been for the hiring of an engineer by the province of Saskatchewan, Mr. Cass-Beggs, to make a report on the power aspect of the project. He found that power could probably be developed as cheaply through soft coal in the south and natural gas in the north as it could be through the construction of this dam to give the province water power.

That report threw doubt on the usefulness of building this project. It has been said by Saskatchewan that P.F.R.A. paid for part of the report. I do not know; possibly they did. But if they did, it was for the one purpose of getting the original unedited copy of the report.

I say again that had it not been for the throwing of doubt on the power part of the project, I do not think we would have had the present commission report. It would appear to me, in a few words, that the Hogg commission finds no particular reason why the South Saskatchewan project should not be proceeded with, except that it would cost too much for the value received by the people of Canada. And on the basis that it would cost too much they suggested that several smaller projects be proceeded with.

The projects mentioned were gone into by P.F.R.A. years ago. As early as 1947 and 1948 P.F.R.A. realized that the development of the South Saskatchewan was necessary to provide a reservoir large enough to carry on any substantial irrigation. If the flow of the Saskatchewan were not harnessed and put into a reservoir at flood time, the flood would go off to Hudson bay and be of no use in meeting the problem of irrigation.

It has been suggested that water could be pumped to the higher ground. That matter has been gone into, and it has been found that the silt in the river has made impossible the use of pumps. It is possible the weirs could be constructed across the river to control this silt, should this pumping project be considered. But with the flood having gone down the river there would not be enough water to carry on any large irrigation project.

This question has been put to me several times: Why use this particular site at Coteau creek for the construction of the dam? Would it not be more useful to bring it up the river to some other location? Since I was interested in politics, if it were moved up the river it would probably land in my constituency; so I was interested in the problem right from the first. I consulted General H. B. Ferguson, when he was carrying on his work with P.F.R.A. in Regina. His answer was that he could build a dam at any location on that river, but that the foundation characteristics west of Saskatchewan Landing were such that the dam could not be built except at such great expense as to make the project impossible.

To construct a project like this there are three elementary factors which have to be considered. First, to construct the dam and reservoir at the minimum possible cost;

second, to have the project situated so that the levels of land are such that the water can run from the lake into the reservoir, or into the canals, and thence on to the land; and third, to have all the soil characteristics such that it would pay to irrigate.

With respect to the first consideration, that of a proper site, it is known that a relatively cheap site is available at Coteau creek. There is a good deal of land that could be irrigated by gravity. The original estimate by P.F.R.A. was 123,000 acres, but I notice the estimate in the report is 180,000. Then, while there is a large area around Dundurn that is too sandy to be considered proper land for irrigation, there are about 500,000 acres on the fringes of that sandy part that are quite satisfactory and could be considered as irrigable land. Consequently these three conditions are satisfied at the site, and this matter should be proceeded with on the basis of the investigations made to date by P.F.R.A.

We must now consider the cost factor of the reservoir itself. There is a good deal of confusion, after reading the commission report, as to the total cost of the project, and the timing necessary for meeting that total cost. Quite frankly, if the federal government makes the same deal with the province of Saskatchewan that it has made with Alberta, it is responsible only for the water storage. It has been generally conceded that, after the experience in Alberta, irrigated land can pay water costs if the main works are provided free and the land does not have to take care of the water rights.

This was also recognized by the experience in Alberta. The federal government has pursued the policy that it will provide free water storage. This includes construction of the dam, construction of the main works and the arrangements for property rights, as well as damming up the coulees and valleys that are necessary to retain water in the main lake.

If this is done it has been proven that the land can carry the cost of the irrigation project. Let us consider for a moment the construction of the dam itself. On May 30, 1947, Gordon L. Mackenzie, chief engineer of the prairie farm rehabilitation branch, issued an interim report in which he estimated the cost of the dam at $66,360,000. This report was concurred in by General H. B. Ferguson, who had a good deal to do with the construction of the Fort Peck dam in Montana, and other similar projects in the United States. As well as making an estimate of the cost at that time, he considered the timing for the construction of the dam itself to be ten years.

After consultation with both General Ferguson and Mr. Mackenzie I received the impression that the number of days in which work could be carried on in the field per year would allow not more than about $6 million a year to be spent in each of seven years. This would bring the total sum to a point somewhere in the neighbourhood of $42 million.

Naturally in the last year or two the concrete would have to be poured for the spillways and the main works of the dam installed. This would mean that another $24 million would probably be spent in those two years. When one takes the cost of $68 million in one lump sum, in one year, it is a formidable amount. However, when it is spread over ten years the amount required in any one year brings the cost down to a point where it is not nearly so formidable.

The investigations in connection with the Hogg report were carried out in 1952. It was felt that a further review of the project should be made. The commission changed the timing to a little over six years, and increased the cost to a figure which is either $139,800,000 or $163,772,000, I am not sure which. Both these figures appear, without details, at page 25 of the report.

The matter of the cost of this scheme has been gone into by several speakers who have preceded me in the debate, and I do not intend to go over the figures again. It has been stated that those figures were based on the estimates furnished by the Mannix construction company. It is very hard to break down these costs, but there is one item here of $3 million for road relocation and bridges. I live in that country, and I am quite familiar with the roads and bridges that exist there. The province of Saskatchewan has one bridge across the Saskatchewan river at Outlook which will not be interfered with at all, nor will the highway that is located there. The other road is No. 4 highway running from Elrose to Swift Current. When the bridge was constructed at Saskatchewan Landing a few years ago the P.F.R.A. suggested that the bridge should be built higher because of the possibility of this dam raising the level of the water some 15 feet. Their advice was not taken. It was considered that if the time should come to raise the bridge, then that would be done. Nature solved that problem. Ice knocked the bridge down last year, and I notice that they are raising the level of it now so I presume that will take care of the situation.

The only other bridge is at Elbow, and it is a combination railroad and highway bridge. That of course will go. It will be at the bottom of the reservoir. That is the shortest way for me to drive to Moose Jaw but I never use the road across that bridge—it is not a highway—because it is in such a

condition that I would rather travel a longer distance and use one of the other bridges. Therefore I question whether more than $30,000 in roads is involved, rather than $3 million. Taking the figures at the top of page 25 of the commission's report, they show contractors' general expense and escalation of wages and materials. Wages and materials may have gone down by that time. They also show contractors' general overhead and profit. These items in my opinion, and I think in the opinion of a lot of other people, are the wildest type of guesses. It would appear that the endeavour is to make the cost so high that any contractor who may bid on the job can bid well under the figures set out here and still have a handsome profit.

I would prefer to consider the estimate of the P.F.R.A. officials plus the additions to that estimate as a result of the increases in the cost of materials. It is considered by the P.F.R.A. officials that in the neighbourhood of 12 per cent should be added to the original cost of $68 million, which would make a figure of nearly $80 million for the dam and reservoir and appurtenant works. This was concurred in by the Wells Construction Company, who built the St. Mary project, and also by the Ramsay Construction Company of Regina. The cost would thus be increased by $12 million over the original estimate by Mr. Mackenzie and General Ferguson. On the basis of those estimates I would say we can take it that the cost of this project would be somewhere around $80 million over ten years.

I would not go so far as to say that the Mannix construction company cannot estimate correctly, but I do say that any sensible person looking at the figures set out on page 25 of the report would be inclined to say that they are very much on the high side.

The province of Saskatchewan has stated that it is prepared to enter into the construction of irrigation projects on the same basis that the province of Alberta has entered into such projects with the federal government. Therefore the province of Saskatchewan would be responsible for the construction of the power house. According to the report of the commission, the cost of the power house would be $24 million. The province would also be responsible for the construction of the irrigation part of the project, and in this instance it could be stated that the province of Saskatchewan would not be financially able, if they were so responsible, to assume a cost of $100 million to $150 million. In other words their revenues are not such that they would be able to undertake a project of that kind. If the cost of the dam is $80 million and the complete cost of the whole project is $248 million, the figure set out in the report, then there is a terrific sum in the middle there which would seem to be pretty staggering so far as provincial finances are concerned.

Let us review the provincial position. They would be given without cost this water reservoir with a total capacity of some 7 million acre feet, of which nearly 3 million acre feet are live usable storage. In other words it can be used for power and irrigation. The power plant would be expensive in its initial outlay, but it would be self-liquidating if it could produce power in competition with other available power, and I think it is generally conceded that if water power is available in this form it could compete. Having in mind the experience gained from what has gone on in Alberta, it has been found that irrigated land can afford to carry the water rights necessary to provide the canals. While the irrigation project might not be self-liquidating, it should be self-supporting. As has happened in Alberta, it will be found that by the time 500,000 acres of land are irrigated probably fifty years will have elapsed.

The cost of $24 million for the power house is set out in the report; and adding that to the P.F.R.A. estimate of $80 million for the dam itself you would have left $144 million if the total figure of $250 million is not as much out of line as the estimate for the dam itself. Naturally the land that would be irrigated first would be land that could be irrigated by gravity. According to the original Gordon Mackenzie report the figure was 123,000 acres, but the Hogg report changes that to nearly 180,000. This would be low-cost irrigation. All that is required is the digging of canals and turning the water into them.

That is all the work that would proceed until such time as the development of the province demanded that water be pumped to higher places. It would not involve the $30 million for a pumping station. It would only involve a part of the $45 million for the irrigation system; and if that course of action were followed, until that other land was irrigated and settled I presume it would not involve a greater outlay by the province of Saskatchewan than the $3 million a year originally estimated. I have no doubt that as the province develops and the need for this type of irrigation increases, the final moves will be made and the water will be pumped to higher levels.

I am afraid that in the consideration of this entire problem we are allowing ourselves as a federal parliament to think that if we

proceed with this project we will immediately commit ourselves to an expenditure of $248 million. This is by no means the case. As members of parliament we should take a realistic view of the matter and adjust ourselves to a way of thinking whereby we will consider that we have to spend possibly $6 million, $8 million or $9 million a year until the time of peak expenditure comes with the installation of spillways, when we will probably have to spend $20 million a year for a couple of years. If we go into this project with the province of Saskatchewan, we must realize that this other cost, this figure between $106 million and $248 million, will be spread over the next two generations. How could a number of engineers sit down today and decide what it is going to cost to do something two generations hence? That cannot possibly be realistic.

I have followed this matter very closely with people in Saskatchewan who have attended these commission meetings all through the west. They are vitally interested in the construction and it would appear to those people, from what has gone on, that the only real opponents this project had in the commission hearings were the minister of agriculture for Alberta and I presume his adviser, Mr. Ben Russell, director of water resources for that province.

I am wondering if the Social Credit members in this house take the same view those two officials in Alberta took when the commission hearings were on. I know that the province of Alberta is very keen to get on with the Red Deer project, but Alberta now has 200,000 acres under irrigation, around 600,000 that can be proceeded with on the basis of the present works constructed, and an envisaged 500,000 on the Red Deer river project, making a total of 1,300,000 partly constructed and partly in the future. Since they have this projected, or have it already, it seems to me they should be prepared to assist Saskatchewan in obtaining this very valuable asset for that province.

If we get into interprovincial rows over who has the right to irrigation, over who has the right to use those waters or who has not the right to use them, I feel we are taking a very shortsighted view of the whole thing and we will confuse the people in Ottawa whose approval of these projects is necessary. If we do that we are seriously jeopardizing irrigation in western Canada as a whole.

I have no opposition to the Red Deer project being proceeded with as soon as possible. My own feeling is that if the federal government are prepared to go along with the South Saskatchewan project there is no reason why they should not announce their intention to go along with the Red Deer project. I do feel, with the federal money that has been spent in Alberta on the St. Mary project, the Canada Land and Irrigation project and others, the people in Alberta should be prepared to allow the federal government to proceed with the South Saskatchewan project. The soil surveys are done, the levels are run and the thing is about ready to go. The Red Deer project, on the other hand, requires a good deal of soil survey around Hanna, and my information would indicate that it will be some time before that project can be proceeded with.

Manitoba, of course, is fearful that if the waters of the South Saskatchewan are too greatly committed for irrigation that will seriously hamper power development in Manitoba. I understand Manitoba's fear in this matter but, on consultation with the secretary of the commission, it seems that the commission has taken the view that while power can be produced from other means than water, the development of irrigation is dependent on water and there is absolutely no substitute.

There are plenty of alternatives in the production of power. Possibly in ten years atomic furnaces will be generating power much more cheaply than we envisage today. I agree with the commission secretary on that point; and while there may be some disadvantages to Manitoba I do not think there are disadvantages that cannot be overcome when it is so important that we have this guarantee against drought in the sister province of Saskatchewan.

Another matter brought up by the secretary is that there are apparently untold possibilities of diverting the water up in the mountains, of moving the whole eastern Rocky mountain watershed south so that it would be useful in the centres of population. It would be many years before even the investigations on a project like that could be carried out, and the costs I understand would be tremendous. Some day when the population is there to warrant it possibly we will find that something well worth carrying out.

In the light of the developments which this nation is taking in its stride, with the development of the St. Lawrence seaway, I cannot help but feel and the people of Saskatchewan cannot help but feel that if this project is ruled against there will be a good deal of discrimination against the people of my province. No matter what future development is envisaged—suppose the entire flow of water east of the Rocky mountains is diverted—it seems only reasonable to me that

a water reservoir built at this time on the South Saskatchewan could well be incorporated with one of those broader schemes if it is considered proper to do that in the future.

I was considering going into the history of this thing. There is a history behind this reclamation development going on in western Canada now which dates back to the days when these provinces were part of the Northwest Territories. I am not going into that history but I will say that the Minister of Agriculture (Mr. Gardiner) had a good deal to do with the federal government when the negotiations were carried on regarding what share of the natural resources those provinces should have and what restitution there should be for natural resources alienated in the past. I do know that reclamation of the Palliser triangle, which according to Palliser should have never been settled, entered to a large extent into the negotiations which produced the prairie farm rehabilitation administration. Part of this federal expenditure in restitution has been made on major water projects in western Canada. There has already been spent over the years some $60 million.

It was always contended by the Minister of Agriculture that two or three of these major water projects had to be constructed before a complete equilibrium would be found in the dealings on natural resources between the federal government and the provinces of Alberta and Saskatchewan. On this basis the South Saskatchewan and the Red Deer can be regarded as the major water resources that we have in western Canada.

Since many surveys still have to be made on the Red Deer project, I would strongly recommend and I would feel that it is necessary that we get started on this South Saskatchewan project. I feel that we should enter into negotiations with the province of Saskatchewan at the earliest possible date to get accurate and true estimates of how cheaply we can build these projects. We should enter into negotiations on a firm basis with the provinces involved; and as the South Saskatchewan project is ready to go now we should make some arrangement so that we know where we stand. It would be impossible for the federal government to go ahead with the project until such time as the arrangements with the province of Saskatchewan were in contractual form. At that time this matter could be proceeded with on a co-operative basis.

I strongly feel that this matter should be taken up now, and that negotiations should be entered into now to put this most valuable and most necessary asset into the province of Saskatchewan. It is an asset which, in the view of many people in western Canada, is owing to that province.

Mr. Victor Quelch (Acadia): The members of the Social Credit group have from time to time, Mr. Speaker, made it clear that they support federal action to provide for the construction of major irrigation projects in both Alberta and Saskatchewan. I believe that was made quite clear by the hon. member for Peace River (Mr. Low) and the hon. member for Lethbridge (Mr. Blackmore) when they spoke in the house last session on the question of the South Saskatchewan project. However, since that time certain facts have come to light which throw some doubt upon the advisability of proceeding with the South Saskatchewan project in its entirety, at least until alternative methods of providing irrigation—more especially of providing power—have been fully investigated. Apparently that was the attitude of the royal commission that investigated this project.

It seems to me that the important point to keep in mind—the commission stressed this point—is that there are somewhere in the neighbourhood of 15 million acres in the dry areas of Alberta and Saskatchewan which need water supplied to them in order that they may become productive. Yet if the total supply of water in the South Saskatchewan river and all the water that could be diverted from the North Saskatchewan river were utilized, it would be possible to irrigate only somewhere in the neighbourhood of 3 million acres. This illustrates how very important it is that we do everything in our power to make the most economical use of the water within the Saskatchewan river as a whole.

The purpose of the South Saskatchewan project, as outlined in the commission report, is to irrigate 455,000 acres of land, two-thirds of which apparently would have to be irrigated by pumping and one-third by gravity. It is proposed to develop 150,000 horsepower of electricity, and supply water to Moose Jaw and Regina. Apparently the main part of the project is the power development.

Mr. Gardiner: I believe the commission report states that two-fifths would be gravity and three-fifths by pumping, rather than one-third and two-thirds.

Mr. Quelch: Yes, three-fifths by pumping and two-fifths by gravity. Somewhere in the neighbourhood of 125,000 to 180,000 acres are to be irrigated by gravity, and the balance by pumping.

Mr. Gardiner: It is 179,000 acres by gravity.

Mr. Quelch: The estimated cost has been set by the commission at $250 million. This estimate was severely criticized by previous

speakers. Any criticism I have to make is not on the question of cost. On the other hand when I hear people lightly dismissing the estimates of the Mannix construction company, I am aware of the fact that that company is held in high esteem and is considered a very sound company. I can quite realize that this company would probably put in a high estimate because on projects of this kind you do not know just what type of construction difficulties you may encounter. The history of all major construction projects of this nature has been that the final cost has been very much greater than the original estimate.

In dealing with the question of the St. Mary dam, the hon. member for Regina City (Mr. McCusker) said the only reason the final cost was so much greater than the estimated cost was that the project was greatly enlarged. That is only part of the reason. The hon. member should know that construction difficulties were encountered, such as the diversion tunnels and a number of other things, which were largely responsible for increasing the cost of that project.

Mr. McCusker: On a question of privilege, Mr. Speaker, were not those extra costs encountered because the project was expanded?

Mr. Quelch: Not for that reason alone. A rock formation was encountered, and one contractor went broke. The Fort Peck dam is a large earth-filled dam, and its construction cost $100 million. Before the dam was completed the water broke through and washed a lot of it out. This caused a great increase in the cost of that project. The commission warns that contractors will have to be on the lookout for similar dangers in this project. I recall that in my own constituency a small earth-filled dam was completely washed out before it was completed. It had to be rebuilt, and the final cost to the government was double the original cost. Anyone making an estimate of the cost of a project like this has to envisage the possibility of encountering construction difficulties; therefore I would not be over-critical of any company for putting the cost perhaps higher than it actually is.

The commission found that the economic returns envisaged to the people of Canada were not commensurate with the cost of the project, and expressed the opinion that irrigated farms in Saskatchewan could still be supplied with water at less cost from other sources.

The commission make one point that I feel should carry a good deal of weight. They stress the fact that there is no substitute for water for irrigation, while there is a substitute for water in so far as electric power is concerned. The commission claims that the proposal would commit four-fifths of the flow of the South Saskatchewan at that point for hydro power, and it could never be returned to be available for irrigation in the large area above the dam. The hon. member for Regina City pointed out that this water, after it passed this project, would be available for hydro projects lower down. That is not the point. The point is that there is no substitute for water for irrigation, and once the water has gone through this project it will not be available for irrigation purposes in the large area above the dam. I feel that is something that should be given a great deal of consideration.

On the other hand, the commission point out that the cost of providing power at Coteau creek dam is such that Saskatchewan's power needs could be provided almost as cheaply through steam plants. Now, I do not doubt for one minute that that is true, because in the west we have a lot of cheap fuel in the form of coal, gas and oil. For instance, there is a power plant at Drumheller on the Red Deer river which provides electricity within a radius of about 100 miles. All the farms that require electrification are being supplied from that power plant, which is a steam plant burning coal. Since it is located in the Drumheller valley, coal can be secured quite cheaply. The cost of producing that electricity compares very favourably with the cost of electricity supplied by other means.

The commission report has been criticized on the grounds that it conflicts with the findings of P.F.R.A. engineers. Some members have criticized the commission on the ground that they have ignored the P.F.R.A. findings entirely. In reading the report I find that on page after page reference is made to figures and submissions of the P.F.R.A., so it cannot be said that the commission did not consider the findings of the P.F.R.A., although in some cases they did not agree with them. One only has to read the report to see that there is continual reference to the submissions of the P.F.R.A. However, it does appear that the findings of the commission are right in line with the opinions of the former chief consulting engineer of the P.F.R.A., Mr. Ben Russell. I notice that in a report of a meeting of the water resources board in August, 1951, an application for an allocation of water for the South Saskatchewan river project was turned down by the water resources board. The reservation was continued for two years, but the application for allocation of water for that project was turned down by the water resources board chiefly on two grounds. The first was on the ground that they should

wait until the findings of the royal commission were available, and then also there was the ground that they should first of all make further investigations into the North Saskatchewan river project as an alternative.

It is interesting to note that when Mr. Ben Russell, who is a member of the water resources board, took that stand he did so without first of all consulting the government of Alberta. He made that point quite clear. He said, "I am doing this on my own account; I have not consulted the province of Alberta". On the other hand, later on when the province of Alberta made a submission they backed up Mr. Russell's contention.

I note that the Saskatchewan brief, and also the remarks of a number of hon. members who have spoken, including the hon. member for Kindersley (Mr. Larson), have criticized the North Saskatchewan project as an alternative on three main grounds. First of all it is contended that an investigation has already been made, and that it was found that the South Saskatchewan would provide water for irrigation more economically. Second, it is contended that the North Saskatchewan is not an alternative and that the South Saskatchewan and the North Saskatchewan are two separate rivers. In the third place it is contended that there would be a heavy loss of water owing to the length of the canals needed to take the water from the headwaters of this river into Saskatchewan. I want to comment briefly on those three points.

The answer to the first point, of course, is that a detailed survey of the North Saskatchewan project has never been made, therefore until a detailed survey has been made you cannot say whether the one would be better than the other. Unfortunately a great deal of the original survey made by Mr. William Pearce has been lost or is not available for some reason. Secondly, since the time the comparison between the two was made a number of changes—and quite large ones—have been made in the North Saskatchewan project.

Whilst, as I say, there is no detailed survey, there are two or three general surveys. The main change that was advocated was in that made by Mr. A. B. Cook. He proposed that instead of taking the water northeast from Youngstown to Macklin, it should be taken east and land irrigated at Alsask, Kindersley and a number of points east. The main advantage of that proposal is that you would be keeping water at a higher level—120 feet higher—than if you went the other way; and also that you would greatly shorten the length of the canals.

Another point argued is that there are two separate rivers, the North Saskatchewan and the South Saskatchewan, and that therefore you should not call the North Saskatchewan an alternative because in that case you would not be using the water of the South Saskatchewan. But there is an important point to take note of, and that is that if the greatest use of the waters of the Saskatchewan river as a whole is to be obtained for irrigation, you will have to divert water from the North Saskatchewan to the South Saskatchewan because the North Saskatchewan does not flow through the type of land that is suitable for irrigation. Mind you, if the South Saskatchewan project is constructed, it will still be necessary to divert a certain amount of water from the Clearwater, which is a tributary of the North Saskatchewan in order that sufficient water may be obtained.

Again, owing to the fact that so much of the water will be utilized by the power dam, if we are ever going to use it to irrigate as much as possible of the 15 million acres, it will be necessary to divert water of the North Saskatchewan into the South Saskatchewan in order that that land may be irrigated. Therefore it is nonsense to say that one is not an alternative to the other, because the waters of the North Saskatchewan will have to be utilized in order that the arid land in Saskatchewan and Alberta may be irrigated to the fullest extent possible. Incidentally, the only place at which diversion of water from the North Saskatchewan to the South Saskatchewan can be made is at the headwaters of the river in Alberta. Whilst the North Saskatchewan is over 200 miles away from the South Saskatchewan at Outlook, at the headwaters the North Saskatchewan is only 20 miles away from the tributaries of the South Saskatchewan. So that by placing a dam on the North Saskatchewan it is possible to divert water to the Clearwater, and by placing a dam on the Clearwater it is possible to divert water to Stauffer creek which is a tributary of the Red Deer which is a tributary of the South Saskatchewan. So there is no engineering difficulty in diverting water from the North Saskatchewan river to the South Saskatchewan.

As to the next point, the contention that there would be a heavy loss of water due to the long canals, I should like to say this. The canals would be long, it is true. Some of them would be going through sandy land, so there would be a good deal of seepage. But the mistake, I think, in arguing that water is lost is this. Whilst it is a loss of water in so far as the project to which the water is being diverted is concerned, it is not

a loss of water in so far as the land through which it flows is concerned because seepage of water raises the water table, which is a desirable thing in these dry areas. The water table in those areas is steadily going down. You need only look at what happened at Brooks to see how canals raise the water table. The water table at Brooks has been raised considerably as a result of the seepage of water from the canal. If there was seepage from these canals it would also raise the water table of the district through which the water flowed. Nobody could say that was loss of water. It is loss of water only with regard to that irrigation project, which would mean that more water would have to be diverted in order to get it to its final objective.

I want to say a few words now on the North Saskatchewan project and the modified project known as the Red Deer diversion. The North Saskatchewan project was originally surveyed back in 1921 or 1922 by William Pearce. Under that project it was estimated that a total of 1,430,000 acres could be irrigated, 1 million acres in Saskatchewan and 430,000 acres in Alberta, and the cost was estimated at $105 million. No doubt that cost would be much greater today, although it is pointed out that the costs at that time were deliberately set high.

It is also interesting to note that since that time a large percentage of the land that would be irrigated is now owned by the province of Alberta in the special areas. I would say there are about 8 million acres in the special area, so there would not be the cost of taking over that land.

It would be also possible to have a power development on the upper reaches of the Red Deer and the North Saskatchewan. I mention that fact because I have criticized the development of power on the lower regions of the South Saskatchewan. I have often heard people argue—including the late member for Calgary West (Mr. Smith)—that you cannot use the same water for both irrigation and the development of power, but that depends on the location of your power development project. If that project is on the upper reaches of the river, then the water can be used to develop power and after it passes through that power development project it can be used for irrigation, provided, as I say, that your land to be irrigated is below your power project. But on the other hand, when your power project is below the land to be irrigated the water is not available for irrigation once it has passed through that plant. It is argued that four-fifths of the water of the South Saskatchewan will be required for the South Saskatchewan power project, and therefore the amount of water available for irrigation itself will be reduced by that amount; that is, an allocation will have to be made for that amount of water for a power project.

Under the North Saskatchewan project the water, as I say, would have been diverted from the North Saskatchewan into the Red Deer river and by damming the Red Deer river, taken by canal across 100 miles down to Sullivan lake, which has a storage capacity of 1,730,000 acre feet. From there it would be taken by canals through Alberta into Saskatchewan where it could irrigate about 1 million acres. However, for a number of years many people considered the project so immense that we should not even think about it but should consider some project which would not be of such gigantic proportions.

So a demand that a modified project be constructed grew, and finally out of that we got the so-called Red Deer diversion project. Actually with the Red Deer diversion project as formulated at the present time it would not be possible to divert water to Saskatchewan. I notice that the hon. member for Kindersley (Mr. Larson) kept referring to the Red Deer diversion project as a means of getting water to Saskatchewan; but as it is formulated it would not be possible to get water to Saskatchewan because under the present proposal instead of using Sullivan lake as a reservoir it is proposed to use Hamilton lake, and from Hamilton lake it would not be possible to take water by gravity into Saskatchewan.

The Red Deer diversion project, which would mainly use the water of the Red Deer, would probably use water from Clearwater river as well. It would be possible to irrigate in the neighbourhood of 450,000 acres in Alberta, most of it by gravity, although it is possible that if the whole 450,000 acres were irrigated some of it would be by pumping. It is estimated that at least 300,000 acres could be irrigated by gravity under the project at an estimated cost of only $15 million. I quite agree that that estimate is probably too low. Probably it would be higher than that. It would mean, however, that you would be able to irrigate a large parcel of land at comparatively low cost.

Now, it is generally argued that if you are going to have irrigation you have to grow specialized crops; you cannot afford the high water costs in the raising of feed, particularly if you are going to have to pump the water 60 or 120 feet, as it is proposed in part of the South Saskatchewan river project. It is quite evident that you would never be able to use that water for the growing of feed

because of the high cost. The hon. member for Kindersley pointed out that in Alberta it was recognized that farmers could stand the yearly cost of getting the water on the land, but in Alberta the water is placed on the land by gravity, and the cost of getting water on the land is considerably less than it would be under a project such as the South Saskatchewan project where a large percentage of the land would have to be irrigated by pumping.

Mr. Gardiner: May I ask a question? I know my hon. friend is interested in the whole matter of irrigation, and I want to ask him this question. Has he given consideration to what I understand is the fact, that if you follow the Red Deer project and take the water across the prairies by the long ditch, you lose as much water by evaporation and by seepage as would be in the South Saskatchewan river dam?

Mr. Quelch: That would be on the Red Deer river project. It is estimated that you would need a yearly diversion of 1,200-acre feet to provide the actual water needed for 400,000 acres, on account of seepage. But as I say, that is only a loss in so far as the irrigation project is concerned. It is not a loss to the district through which it flows.

A great deal of concern is being caused throughout the whole area over the water table going down. Many of the wells on the farms have gone dry. Therefore if as a result of the water seeping through the canal the water table is raised, you are performing a very valuable service; and so long as water is diverted from the Clearwater to the Red Deer river sufficient water can be provided for that purpose and it will be performing a very useful function in raising the water table.

Under a new proposal I understand Mr. Ben Russell is making this suggestion, that the North Saskatchewan project should be investigated. The new proposal includes the suggestion of Mr. A. B. Cook, and that is this: Instead of taking water by canal northeast to Macklin it should be taken from Sullivan lake and east of Youngstown to Saskatchewan so that a large amount of land could be irrigated at Alsask, at Kindersley and at Kerrobert, and then if necessary the water could be taken down to the very land that would be irrigated under the South Saskatchewan project. Let me say that we think it would be advisable to investigate these proposals. I want to make it clear, however, that we are not suggesting for one minute that the damming of the South Saskatchewan river should be held up until such time as there has been an investigation into the North Saskatchewan project.

As a result of what I have said, I want to summarize briefly the stand this group is taking on this matter at the present time. I will admit that along with a lot of people in my constituency I am feeling somewhat discouraged at the way these large-scale projects in Saskatchewan and Alberta have been held up. They seem to have become a kind of political football. Apparently they are being held up not so much through economic and engineering details as from certain political considerations. But we feel that the government should not attempt to go ahead with the construction of this South Saskatchewan project in its entirety until they have made a thorough investigation of alternative methods of providing power.

Mr. Gardiner: May I just suggest that is the reason it has been held up for the last three years. We were making and proving that survey, and we have made it.

Mr. Quelch: That may be the reason for the South Saskatchewan, but the minister is going to have an awfully hard job to convince me that that is the reason the Red Deer diversion was held up.

Mr. Gardiner: That is the only reason consideration was dropped for the time being.

Mr. Quelch: I will deal with that in a minute. We support immediate action to build the dam on the South Saskatchewan river for the purpose of providing a large reservoir from which I understand by gravity 125,000 acres and perhaps even 180,000 acres could be irrigated; because even if you could irrigate only 180,000 or 150,000 acres by gravity you will still have a tremendous amount of other land that can be irrigated by low-lift pumping.

Mr. Gardiner: The P.F.R.A. decided about three years ago, or a little more, that 400,000 acres of land could be irrigated at Hanna by carrying out what we call the Red Deer project, and there has never been any change in that excepting that there are some people who question the amount of land on the ground that it may not all be suitable.

Mr. Quelch: Coming back to the South Saskatchewan dam, I want to make it clear, as I say, that we support building a dam on the South Saskatchewan river to provide a reservoir from which a certain amount of land could be irrigated by gravity and an additional amount of land by low-cost pumping. In Alberta today a great deal of land is being irrigated by low-lift pumping. Many

farms are doing it on their own and are finding it very satisfactory. No doubt if a reservoir of this kind were built it would be possible to irrigate a good deal of land. On the other hand, we are not supporting the idea of a power development because we believe the water of the South Saskatchewan river will be needed for irrigation purposes, and to the extent that it is utilized for power at that point it is not available for irrigation.

In so far as the Red Deer diversion project is concerned, we feel that the government should proceed immediately with its construction. Perhaps all the soil surveys have not been completed, but it would be possible to start work immediately on the dam. Agreement has been reached as to where the dam should be built. If it is thought possible that at some future date that water might be taken from that project into the Saskatchewan, then I would suggest that instead of using Hamilton lake they should utilize Sullivan lake, because if Hamilton lake is used as a reservoir it will not be possible to take water into Saskatchewan. On the other hand, if Sullivan lake is used then it will still be possible to carry water from there into Saskatchewan at a later date. All that would be necessary then would be to divert water from the North Saskatchewan to the South Saskatchewan, but that is no reason to delay the building of a dam on the South Saskatchewan, and it is no reason to delay the construction of the Red Deer diversion project. These projects can be gone ahead with, and so long as they use Sullivan lake as a storage reservoir they will have their water at a sufficiently high altitude to make irrigation possible by gravity.

I can assure the minister that in past years I have tried to excuse the failure of the federal government for not going ahead with the Red Deer diversion project. Three years ago I quoted what the minister himself said in this house. He said in reply to a question put by me just about three years ago that surveys had gone sufficiently far that by the fall he hoped it would be possible to sign agreements with the provinces so they could start work on the Red Deer diversion. That would be two years ago, not three. Now we are told that they have discovered patches of a new type of soil that had not been found anywhere else on the North American continent. The only other place it has been found, they say, is in Australia. We are told that, therefore, they will have to have another two years to investigate soil conditions.

I have been reading in the Hanna *Herald* reports of meetings held throughout the constituency by members of the east central irrigation association, and it is stated that the farmers are disgusted with the inaction of the federal government. They say they have farmed out there for 40 years, and they know what the soil is. They have the machinery today that will bust that hardpan wide open. So long as the land is cultivated shortly after it begins to dry, there is no difficulty in breaking it open. They are not satisfied to be told today that because patches of hardpan have been found, new soil surveys will have to be made. They know what that land is, and they think it is high time the government began action on the project. It was first investigated in 1921. Now, in 1953, they are told soil surveys will have to be made which will probably take another two years.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I listened to the hon. member for Acadia (Mr. Quelch) with a great deal of interest. However, nothing he has said detracts from the advantage of going ahead immediately with the South Saskatchewan project. So far as I am concerned the best reply to the statement he has made was given in the house last year by the leader of the Social Credit group when, on June 28, he said:

> There is just one thing I would like to say by way of encouragement to my friends in Saskatchewan. I want to see Saskatchewan get that project on the South Saskatchewan river as quickly as they can because I know what it will do for their province and for the rest of Canada as a whole.

Mr. Quelch: We all agree with that.

Mr. Argue: I hear another one of their members says that they all agree with that.

Mr. Quelch: Would the hon. member permit an interjection? If he would rather not, I shall not insist. However, I thought I made it clear that since that time a lot of facts have come to light which throw doubt on the advisability of proceeding with the power development. But we still strongly support the idea of a dam, a reservoir and irrigation.

Mr. Argue: I am not a member of the Social Credit party, and do not caucus with them. I do not want to say what stand that party has taken and so far as I am concerned I shall wait until I hear from the leader of that group in this debate.

The South Saskatchewan river project has been talked about for a good many years—since 1935, I believe. Surveys have been made year after year by P.F.R.A. engineers. The Minister of Agriculture (Mr. Gardiner) and other spokesmen for the Liberal party, in one election after another, have gone on record in support of the building of the South Saskatchewan river project. I am pleased to note that the official opposition is supporting this project. Certainly we in the C.C.F. group, members from Saskatchewan in particular, are supporting the project wholeheartedly.

I think in assessing the benefits of a large undertaking such as the South Saskatchewan project members of parliament should look at it from a national point of view. We should attempt to find out whether it will not only help our fellow citizens in a certain part of Canada but whether secondary benefits flowing from the project would improve the standard of living and well-being of all our citizens.

Members of this group have supported the Canso causeway. We have supported the St. Lawrence seaway development. In our view the Canso causeway was needed in the maritime provinces, and for that reason it received our support. We viewed the St. Lawrence seaway development as something advantageous to central Canada. We now look at the proposed South Saskatchewan project as one which will bring to a large area in western Canada benefits that will be available to the people in that region, just as the St. Lawrence seaway and the Canso causeway will benefit other sections of Canada.

As I have said, the Minister of Agriculture and other spokesmen for the government have gone on record favouring this project. So have members representing all the other parties in the house. My question is, then: What are we waiting for? It is time the government made up its mind and announced a project on the basis of repeated recommendations from its own P.F.R.A. engineers. As Dr. George Spence, former P.F.R.A. director, has said, those people have lived with this problem now for almost half a lifetime.

The information contained in the report of the royal commission was pretty well known some months ago. It was officially tabled in the house on January 19, more than two weeks ago. P.F.R.A. engineers in 1951 apparently had completed all their studies and recommended that the project be undertaken. I say to the government now that what we in this group as well as the people in western Canada, particularly those in Saskatchewan, are asking is that the government announce that it is going ahead with the project, and that it do so in such a way as to guarantee its being built.

The amendment before us regrets that the government has not placed an item in the estimates to cover this expenditure, and the amendment most certainly will have my support. The hon. member for Kindersley (Mr. Larson) who set forth some of the main advantages that would flow from the project, said that the amount involved would be only six or seven million dollars a year. Well, we want something more than an item of $6 million in the estimates. Such an item might appear in this year's estimates and again next year and the year after. As happens in connection with some items, it might appear merely as a revote. In other words an item might appear in the estimates without very much being done by way of construction.

In my view the government should place on the statute books of Canada whatever legislation is necessary to guarantee that this project will be proceeded with and completed. We have already waited far too long. We have heard the Minister of Agriculture and others set forth the advantages of this project. In general elections and in by-elections we have heard them make the statement that, in order to have this work done, the thing to do was to send supporters of this government to the House of Commons.

In their wisdom, from time to time the people of Saskatchewan have sent a number of government supporters to the house. We are now very tired of hearing these promises repeated time and again, but not fulfilled. We want action now; we want legislation now. The government of Saskatchewan is prepared to enter into an agreement. The minister of agriculture and the premier of that province have stated that Saskatchewan is prepared now to enter into an agreement with the federal government and is prepared to undertake its share of the cost with respect to the project on the same basis as the costs of other irrigation projects have been shared with the province of Alberta.

I am sure the present royal commission report must be rather embarrassing to some members of the government. In the last few years we have had a royal commission on transportation, the Massey royal commission on arts, letters and sciences, and the now famous Currie report which is comparable to the report of a royal commission. We now have a royal commission report on the South Saskatchewan river dam. Apparently we are getting government by royal commission. I say that when members of parliament on all sides of the house want something, then the government should give the necessary leadership to carry out the wishes of members of parliament and should not set up another inquiry in order to establish whether or not the project is feasible.

In this instance we have had another inquiry and the commissioners have cast grave doubts on the feasibility of the project. Their report is now something that is standing in the road that must be gotten rid of before we can go ahead with the project. Surely the vast majority of members in the house realize that the reports made year after year by the government's own P.F.R.A. engineers are the ones to which attention

should be paid. I have been handed a clipping from tonight's Ottawa *Journal*. It is a Canadian Press dispatch from Regina, and I certainly agree with it. It reads as follows:

> The Saskatchewan Liberal party yesterday said the federal government should ignore the findings of the royal commission on the South Saskatchewan river project.

We think they should ignore these findings, and we in this group are sorry the royal commission was ever appointed. I think the best thing the Minister of Agriculture (Mr. Gardiner) could do with the report would be to gather together all copies of it, throw them in the Saskatchewan river and let them go down to the sea. In my opinion there is nothing valuable in the report that has not already been reported many times, and there are other parts that are of no value, so possibly the whole report might be handled in the way I have suggested.

A lot has been said about the advantages of the South Saskatchewan river project to the people of that province. Naturally two of the main advantages are irrigation and the providing of Saskatchewan with a source of cheap power. We believe that by reason of the large power facilities that could be installed if such a project were undertaken we would have a reasonable chance of attracting industry to our province in the future. Saskatchewan is basically an agricultural province. We are really a one commodity province. We are a wheat province, and while we have had good fortune in the last number of years in growing and selling our wheat, no doubt there will be years in the future when our crops will be low in yield because of drought, and there will in all probability be years in the future when prices will be lower. Certainly anything that can be done to bring industries to our province will be a stabilizing influence on our economy.

Naturally I am interested in the effect of irrigation on our agricultural industry. I have read the statement made by the Saskatchewan government to the royal commission. In that statement the provincial minister of agriculture points out that right now the province really has 10,000 too many farm units, too many because their size is so small that the units are uneconomic. He points out that even with all the irrigation that may be developed and the new land that may be brought under cultivation, the best we can hope for is an additional 5,000 units. Our own Canadian citizens, our own farmers who are farming in the drought area, or who are farming on units uneconomic because of smallness of size, would welcome the opportunity to engage in the irrigation farming that would follow the development of the South Saskatchewan river project.

We did not think it was necessary in the first place to appoint a commission at all, and of course it gave us some concern that on that commission were two hydro engineers and only one irrigation engineer. We feel that if the personnel of the commission by way of qualification had been reversed, it is very likely the report would have been favourable. The report advocates further studies, many of which have already been made, and in so doing it seems to me that some members of the royal commission want to continue their jobs for years to come. I do not blame anyone for attempting to have a good job if he can get it, but when this project is so necessary for the people of Saskatchewan I do not think the wishes of one or more individuals, who hope they may get lucrative employment, should be a sufficiently good reason for accepting a recommendation that a lot more study of this project is needed.

It has already been said that some of the estimates of the royal commission with respect to costs of the project are fantastic. The commissioners have loaded their estimates against the South Saskatchewan project. In addition to actual construction estimates they have included such estimate items as $12,300,000 for general expense, over $6 million for interest during construction, and $4 million for other contingencies after having provided for every conceivable contingency in their estimates. Then they have a figure of $10 million for escalation of wages and materials. That is a kind of cost of living index that can only go up. Here they have suggested an unnecessary $10 million for some construction firm that may undertake this project.

Then they come to another amazing finding, namely that there are no stones in Saskatchewan. I imagine that the municipality in which I live could make a very substantial contribution to the rock necessary for the riprap on the spillway. But the commissioners have a place where they are going to get rock. They are going to go to the Frank slide in the western part of Alberta. They are going to bring rock from the Rocky mountains, and because they are going to go to the Frank slide the cost of the rock will be increased from $4.20 per cubic yard to $11 per cubic yard.

For this reason alone the project will cost another $4¾ million.

After the commission has made these fantastic estimates of the cost, then they decide they are going to assess the advantages that will flow from this project. In one place they

state there will be a saving of $10½ million in relief over the next 35 years. Well, the Saskatchewan brief lists some of the costs that have been incurred to date under P.F.A.A. expenditures in time of crop failure, direct relief expenditures and amounts that have been expended through tax and debt cancellation, but the Saskatchewan brief does not arrive at $10½ million. It arrives at a figure of over $400 million.

Well, we would not expect to save all of that even if this project were completed, but certainly a saving of $10½ million over the next 35 years in the way of relief in time of crop failure is just about as nonsensical the opposite way as are the inflated estimates in their report.

Mr. Knowles: One of those silliest blank, blank ideas.

Mr. Argue: The Regina *Leader-Post* points this out in an editorial of Tuesday, January 20, and has this to say:

> The commission went to the other extreme in estimating the economic returns from the project. It ignored the province's estimate that increased annual agricultural output in the irrigated area would range from $34,151,157 initially to $50,543,237 when maturity had been attained. Instead, the commission in its balance sheet entered on the credit side the equivalent of a niggardly amount of less than $3 million a year for the first 35 years.

So when it comes to assessing the benefits that will flow from this project the commission makes the benefits just as small as it possibly can. Then, of course, it establishes the conclusion that this would not be an economic project, as it wants the investment to pay the government 3½ per cent a year.

That royal commission is looking at this whole project from the standpoint of a businessman who is making an investment and wants to be assured of a fair return on the capital he is providing. I do not think that is the attitude the federal government should take. I hope it is not the attitude it will take. Surely if by investing $60 million or $100 million, or let us call it $250 million over a ten-year period, we can save many thousands of farmers of Saskatchewan from the ravages of drought; if we can provide secondary industry for that province; in other words, if we can lift the living standards of that section of our Canadian population living in Saskatchewan, then surely the results that flow from that investment should warrant the investment even if the federal government never got a dollar as an actual return from the investment. If we do not go ahead with the project the federal treasury in the future as in the past will be called upon from year to year and from time to time to expend millions of dollars in relief. It will spend millions of dollars to provide prairie farm assistance and will wind up, instead of having saved money because it did not go ahead with the project, losing money because it lacked the foresight to see the economic advantages that would flow from the project.

The report contains other criticisms of the project. I think these criticisms have been dealt with very well by Dr. George Spence, who for a number of years was a director of the Prairie Farm Rehabilitation Act. He has an article in the Regina *Leader-Post* of Thursday, January 22, and point by point deals with the objections made by the royal commission. The report says that pumping schemes might be studied and in connection with that suggestion Dr. Spence says:

> Pumping schemes, without specifying where the cheap power is to come from, are among other things suggested. Strange but true, the commission advocates pumping in one breath and questions the efficacy of that system in the next.

He points out that if you are going to attempt to irrigate by pumping from the river without a dam having been built you will need your greatest quantity of water naturally in July and August when the crop is growing and when it is maturing, and in these two months the river is at its lowest point. For that reason pumping is out of the question.

Then he deals with the suggestion in the commission's report that we should do something to take this water where it is needed most, to the more arid regions of Saskatchewan and Alberta. He points out that the soil and topography of that more arid region make that region unsuitable for irrigation. You cannot take water uphill. You cannot irrigate the tops of hills and so, when you get into rolling country, irrigation becomes impractical. He points out too that that soil is not suitable for irrigation because it has a high mineral content. If you bring water on a soil that has a very high mineral content, a substantial alkali content, you bring the mineral salts to the top of the soil and your soil is ruined. Dr. Spence says that the arid area in Saskatchewan is now being used for pasture and that is its proper use, that it is not suitable for irrigation.

He goes on to point out that every conceivable irrigation project has been studied for years by P.F.R.A. engineers. He says that if any alternative to this program existed the P.F.R.A. officials would have found that alternative and would have recommended it; because they have lived with the project, they are qualified persons and they have recommended this project. One of the reasons for recommending it is because

it does not interfere with any other project that may be undertaken with advantage.

The position of the Saskatchewan government is crystal clear. The Saskatchewan government has supported this project ever since its election to office in 1944. In their submission to the royal commission they point out that they want an opportunity for an early start on the dam. When the royal commission report was tabled and made public, the Saskatchewan minister of agriculture made the position of the Saskatchewan government very clear. The Regina *Leader-Post* in an editorial on Thursday, January 15, makes this comment:

> Undoubtedly the most significant part of agriculture minister Nollet's statement of January 12 concerning the "excessively high" estimate of $250 million on the costs of the South Saskatchewan river development project, which the royal commission is reported to have advanced, was the following statement:
>
> The Saskatchewan government pledged its financial support to the project long ago and reiterates its anxiety to fulfil the commitment for the cost and construction of that part of the project assigned to the province on the basis similar to other major irrigation projects.
>
> This is capable of only one interpretation; the Saskatchewan government is not alarmed over the patently inflated cost estimate on which the commission reportedly based its findings. It is prepared to go ahead with its part of the undertaking despite the forecasted unfavourable aspects of the commission's findings. It is not doing so blindly, with a wanton disregard of the probable cost. As Mr. Nollet pointed out, the province has checked the much lower cost figure based on "estimates meticulously prepared by the P.F.R.A., which were ignored by the commission in favour of a contractor's estimates". It has shaped its policy on a greater reliance on the more realistic P.F.R.A. estimate than on the fantastic quotation which it is said was prepared for the commission by the contractor.

I believe, Mr. Speaker, the commission was at fault in another way. They went to Alberta and asked a contracting firm, the Mannix corporation, to make an estimate. When the estimate was made, the commission would not allow the representatives of the Saskatchewan government to cross-examine the representatives of the Mannix corporation on their estimates. This company sends in an inflated estimate, and the people concerned are not allowed to cross-examine them and find out the basis upon which the estimate was made.

I believe another mistake was made when the Prime Minister (Mr. St. Laurent) gave instructions to the royal commission, or more probably to the P.F.R.A., that P.F.R.A. officials were not to appear before the commission. If the commission was to do its work fairly and honestly, and take into account all the factors, surely the P.F.R.A. officials should have been called before that commission at a public hearing. These officials should have been allowed not only to produce the information they had, but to cross-examine the Mannix company on its fantastic estimate.

Shortly after the commission report was made, Dr. L. B. Thomson, the director of the P.F.R.A., spoke at Saskatoon. While he was referring to the report itself, he made it crystal clear in a public statement that the P.F.R.A. still supported the South Saskatchewan project. He should have been invited to make such a public statement before the royal commission when it was sitting.

It is strange the way the government has acted with regard to the royal commission on the South Saskatchewan as compared to its action in connection with the Currie report. Before the Currie report was made public, it had to go to the Department of National Defence to be looked over. If the department did not agree with what was in it, apparently they cut out those parts. When it came to the report of the royal commission on the South Saskatchewan project, the Prime Minister and the government instructed P.F.R.A. officials not to appear before that royal commission. I do not think the royal commission report should have been—

Mr. Gardiner: May I say, Mr. Speaker, that my hon. friend is not representing the position correctly. The officials of P.F.R.A. were available to the commission every day the commission was in existence, right from the time they were appointed until they went out of office.

Mr. Argue: That doesn't alter my statement. I think that rather than having them available in a back room some place, P.F.R.A. officials should have been allowed, as they were not allowed, to go before that commission in a public hearing and state their position concerning this project.

We have before us, Mr. Speaker, an amendment and a subamendment. The amendment, as it appears at page 1591 of *Hansard* for February 3, 1953, reads as follows:

> This house regrets that in the estimates presented to this house no provision has been made for immediately proceeding with the construction of the South Saskatchewan river dam.

I am sorry that the hon. member for Kindersley (Mr. Larson) and the hon. member for Regina City (Mr. McCusker) have taken this to be a want of confidence motion which threatens the existence of the government. They say, therefore, they are not prepared to vote for that amendment. I feel that they should have taken the same attitude members of their party took back in 1946 when there was a motion before the house asking the government to continue the subsidy on milk. One Liberal member after another got up

and said he was supporting the motion. After that support was made known, the Minister of Trade and Commerce (Mr. Howe) rose in his place and told the members on the government side of the house they were to be allowed a free vote on the motion. I believe there should be a free vote on this motion, and that those members should not be governed by the party whips.

As I pointed out some time ago, we would like to see a better guarantee than merely an item in the estimates. You can put something in the estimates and leave it there for the next ten years, but it may not move a cubic yard of dirt on the South Saskatchewan project. We would like to see concrete legislation, and an agreement in concrete terms with Saskatchewan whereby we will know that within the next ten years we shall have the dam constructed and whatever other works are essential within that period of time. The hon. member for Melfort (Mr. Wright) moved a subamendment which I seconded. The subamendment, as it appears on page 1600 of *Hansard* for February 3, 1953, reads as follows:

as recommended by the federal government's P.F.R.A. engineers.

I hope the Liberal members from Saskatchewan, if they are not prepared to support the amendment, will at least support the subamendment. By so doing they will show that they support the recommendations of their own P.F.R.A. engineers. I think all of us from Saskatchewan, irrespective of party, should stand by the P.F.R.A. engineers. If the subamendment carried, it would not defeat the government at all. Then the government could have a second look at the motion as amended, and do what they saw fit with the amended motion. In the meantime, Liberal members would have at least given some support by way of vote to the South Saskatchewan project.

I move the adjournment of the debate.

Mr. Gardiner: May I ask if the member has had his forty minutes?

Mr. Speaker: A question is asked as to whether the member for Assiniboia (Mr. Argue) has taken up all his time. He has two minutes left.

Mr. Argue: I shall relinquish my place, Mr. Speaker. I thought I had five or ten minutes left.

Mr. Gardiner: If the hon. member has exhausted his time, I would move the adjournment of the debate.

Motion agreed to and the debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall take up Bill No. 38, respecting the Saint John Bridge and Railway Extension Company; Bill No. 39, to amend the Canadian Overseas Telecommunication Corporation Act; Bill No. 19, to amend the Canadian Vessel Construction Assistance Act; Bill No. 40, respecting the appointment of auditors for national railways. Then we shall take up the resolutions standing in the name of the Minister of Resources and Development respecting the conservation of water resources; the historic sites and monuments board of Canada; revision of the Yukon Act, and if we have time left we shall try to agree on some other bills.

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

HOUSE OF COMMONS

Thursday, February 5, 1953

The house met at 2.30 p.m.

FLOODS

ESTABLISHMENT OF NATIONAL EUROPEAN FLOOD RELIEF COMMITTEE BY CANADIAN RED CROSS

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I have an announcement I would like to make to the house with respect to the disastrous floods in Europe, and I make it because I am sure all hon. members and all those they represent are actively interested in what is taking place and in what is being done in that respect.

I dispatched this morning to the Hon. Leopold Macaulay, chairman of the central council of the Canadian Red Cross at 95 Wellesley Street East, Toronto, the following telegram:

Pursuant to telephone conversation with national commissioner and in accordance with the suggestion which I made in House of Commons on February 3, I am now formally requesting the Canadian Red Cross Society to assist in the establishment of a national European flood relief committee and to act as the administrative arm of the committee.

It is further suggested that any funds contributed for relief purposes be given to the committee and that the Red Cross would act for it in providing transportation and distributing relief supplies through the league of Red Cross Societies (Geneva) and the National Red Cross Societies of Great Britain, the Netherlands and Belgium.

Louis S. St. Laurent

At the suggestion of the national commissioner I sent to each of the provincial premiers the following message:

My dear Premier:

I have today sent the following telegram to the chairman of the central council of the Canadian Red Cross Society.

Then follows the text of the telegram which I have just read and which I will not repeat at this time. After the quotation I added the following:

I have been asked by the society to inquire if you would be willing to serve on the committee which it is proposed to establish.

Mr. George A. Drew (Leader of the Opposition): To deal with the points raised by the Prime Minister (Mr. St. Laurent) in the order in which he raised them, Mr. Speaker, I would mention first the information he has given us about the plans being made to facilitate the transmission of assistance from Canada to Great Britain, Holland and Belgium. I feel sure there will be general agreement that the Canadian Red Cross Society is extremely well fitted in every way to assume the responsibility which it is accepting in this case. Happily, that organization continues its activities in peace as in war. Sometimes we are inclined to forget the great services it does perform in times of peace. The regular blood donor services and other activities of that kind have been continuing without interruption throughout the years, so there will be already in existence in every community across Canada local branches of the Red Cross Society which will be able to carry out this work.

As each day goes by, in fact as each hour goes by, the extent of the tragedy becomes more apparent. It is sometimes by a single incident that the nature of the general tragedy may be better understood. I think many hon. members will have had something of the nature of a personal feeling of tragedy when they read today that a mother and children, who had gone back to Holland from Georgetown to visit her parents, had been drowned in the flood.

In the three countries affected the record of the tragedy mounts, and most certainly the members of this house on both sides will welcome the steps that are being taken to make it possible for Canadians to give tangible expression to the deep emotion that has been aroused by these events.

Mr. Angus MacInnis (Vancouver East): It is hardly necessary for me to say that we in this group are particularly glad that the Prime Minister (Mr. St. Laurent) is taking quick steps to mobilize the sympathies of the people of this country in connection with the relief of those who are suffering from this great catastrophe in Europe. In talking to people I find that many would like to contribute individually. In view of what the Prime Minister has said, I believe the arrangements being made will give them an opportunity of doing that. I believe it is a fine thing that it can be done at this time.

Mr. Solon E. Low (Peace River): I feel, Mr. Speaker, that the people of Canada will find the same satisfaction that I feel in the Prime Minister's announcement of the fact

that the Canadian Red Cross has been designated the agency through which relief shall be forwarded to the unfortunate sufferers in Europe. We want the Prime Minister to know that we are glad steps have been taken quickly, and he is apparently doing an excellent job, in getting relief to these sufferers.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, I need not say anything, of course, about this suggestion that was made by the Prime Minister. Everybody is and must be in agreement with the broad-minded, national way in which the government and all people in this country are dealing with that tremendous situation that has arisen in the Netherlands, in Belgium and in England at the present time.

SIR ROBERT BORDEN

PROVISION FOR ERECTION OF MONUMENT ON PARLIAMENT HILL

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, at a meeting of the cabinet this morning a decision was reached to place in the supplementary estimates to be recommended to parliament for the fiscal year 1953-54 an item to provide for the erection on parliament hill of an appropriate monument in memory of the late Sir Robert Borden.

All hon. members know that 1954 will be the 100th anniversary of Sir Robert Borden's birth, and it was felt that it would be appropriate to recommend commemoration of that centenary by the erection of a permanent memorial to one who was recognized by all Canadians, without any distinction of party affiliation, as one of our great prime ministers. No Canadian who knows anything about the history of the last half century of our country ignores the great part that Sir Robert played during the first great war, and the great part that he always played in the constitutional development of this Canadian nation. It is a fair assumption to make, I think, that every hon. member of the house will be glad to approve of that recommendation. I believe the people of the country as a whole will also be happy if this monument can be unveiled at the time of the centenary celebration of Sir Robert's birth.

Mr. George A. Drew (Leader of the Opposition): Naturally I join with the Prime Minister (Mr. St. Laurent), and with other members of the house in expressing gratification that steps are being taken to commemorate in the form of a statue the memory of a very great Canadian.

It is only natural that the members of the Conservative party should have a feeling of particular pride in regard to this great man; but as the words of the Prime Minister have clearly indicated, this is not a matter of the pride of one party or of the people of any part of Canada, but rather an expression on behalf of all the people of Canada in tribute to a man who played a great part in the development of our country. He assumed responsibilities during the first world war that extended beyond the ordinary responsibilities of a man in that high office. All of us will recall that it was his insistence at the meeting of those who gathered at Versailles that first asserted in definite form Canada's position by his demand that Canada sign, as a sovereign nation, the treaty of peace which formally terminated the first world war.

Statues of this kind are not merely for the purpose of giving satisfaction to those who have some personal recollection of the man himself, or for the satisfaction to his relatives. It is a good thing for every country that there be before the minds of our people, and particularly the young people, evidence of the fact that under our democratic system of state, a great contribution is made to the advancement of the state by those of different parties who share a common affection for the country in which we live.

Mr. P. C. Black (Cumberland): Coming from Nova Scotia as I do, it is a special satisfaction to hear the announcement of the Prime Minister that a monument is to be erected to a great Canadian and a great Nova Scotian, Sir Robert Borden. I do not want to detract from his position in any way, but coming from the county of Cumberland in Nova Scotia I should like to point out that another great Nova Scotian, who up to now has had no monument erected to him, is worthy of note. He was prime minister of Canada also. There would have been no Canada as it is today; there would have been no west; there would have been no Canadian Pacific Railway; there would have been no industrial development at a time when there was that industrial development in Canada, were it not for Sir Charles Tupper. I should like to bring to the attention of the Prime Minister the suggestion that a monument to Sir Charles Tupper has been too long delayed. While I am happy to hear that a monument is to be erected now to that great Nova Scotian, Sir Robert Borden, I ask the government to give consideration to the erection of a monument to that other great Nova Scotian and Canadian.

Mr. Angus MacInnis (Vancouver East): The Prime Minister (Mr. St. Laurent) has referred

to the erection of a memorial to the late Sir Robert Borden. This decision of the cabinet will probably receive more unanimous support than cabinet decisions ordinarily receive. I probably had not changed my political affiliation in the early days of Sir Robert Borden's political activities, but even if I have changed them since that time I can still say that he was a great Canadian and made a great contribution to the development of Canada as a nation. If I may be allowed to mention it, I have recently been reading a memorial to another great Canadian. I am referring to the book by Donald Creighton on Sir John A. Macdonald. It really made me feel proud that I had, not in an intimate way but merely as a young lad, known of this very great Canadian. I believe commendation is due Mr. Creighton, not just for the biography he has written but because in my opinion he has written, for the first time, Canadian history that is really readable and interesting.

Mr. Solon E. Low (Peace River): With respect to the announcement in connection with the monument to Sir Robert Borden, I think it is a nice gesture that the Liberal party of Canada has made in deciding to have a monument erected. We certainly support the suggestion and we shall be anxious to see the project completed. Perhaps some of us might attend the unveiling of the monument.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, as a humble member from Nova Scotia I want to congratulate the Prime Minister (Mr. St. Laurent) and the government on what they are doing toward putting a statue on parliament hill in commemoration of one of the greatest men this country has ever had, and one of our greatest prime ministers. I had the pleasure and, I should say, the honour of reading law in the office of Sir Robert Borden in Halifax. I did not see too much of him at the time but I think he was the kindliest man I ever met in my life.

Some time ago I said a word about Sir Robert Borden in connection with a matter which the Leader of the Opposition (Mr. Drew) brought before the house today, namely the signing of the treaty of Versailles. The matter of placing monuments on parliament hill in commemoration of our great men is something worthy of our Canadian people. It is something to indicate that after all we have here a united nation irrespective of politics or anything else.

The story of Sir Robert Borden is one well worth reading. I often think that the government of this country, whether it be Conservative or Liberal—and I presume that is the only kind we shall ever have—should get somebody to write, in accurate and historic form, the history of the great men who have ruled over the destinies of this country.

STANDING ORDERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Matthew MacLean (Cape Breton North and Victoria): Mr. Speaker, I beg leave to move, seconded by the hon. member for Kent, Ont. (Mr. Huffman), that the first report of the standing committee on standing orders, presented to the house on Tuesday, February 3, be now concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say just a word or two with respect to this motion. I believe that it asks the house to approve a recommendation of the committee on standing orders that certain requirements be dispensed with so far as a particular bill is concerned which it is proposed to introduce.

As hon. members of the house are aware, the bill referred to in this report is with respect to a considerable sum of money that was left over from the contributions that were made at the time of the flood in Manitoba in 1950. I believe the amount of money is of the order of $1,450,000 and that the petitioners in this case are asking from parliament a bill to authorize the setting up of a Canadian disaster relief fund.

I need not go into the details as to how this money came to be left over, but I think it would be appropriate to suggest at this time that those who are behind this petition and this bill might give consideration to the possibility of finding some way to turn that money over to the fund which has been announced by the Prime Minister (Mr. St. Laurent) today, so that it might be used immediately for relief work in the United Kingdom, in the Netherlands and in Belgium.

The thought that this might be done has already been suggested in an editorial in one of the Winnipeg newspapers, and I have no doubt that the other one will probably express the same viewpoint. I am sure all those in Manitoba will support that view. It seems rather strange that we should think of holding on to a large sum of money if it is needed at all at the present time. As was said by the hon. member for Winnipeg South (Mr. Mutch) the other day, we in Manitoba are deeply conscious of the way in which people around the world came to our assistance when we were in need in 1950. I think it would meet with the wishes and

the desires of the people of Manitoba if some way were found to carry out the suggestion to which I have referred. I hope those who are behind this measure will give some consideration to that proposal.

Motion agreed to.

CRIMINAL CODE

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. D. F. Brown (Essex West) presented the first report of the special committee on Bill No. 93, respecting the criminal law, and moved that the report be concurred in.

Mr. H. W. Herridge (Kootenay West): Before the motion is put, Mr. Speaker, I should like to ask the Minister of Justice a question. In view of a certain item in this morning's *Gazette* concerning the possible progress in consideration of this bill, would the Minister of Justice care to comment at this time?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the position is that some doubt has been raised as to the intention of the government with regard to the completion of the work on this bill during the present session of parliament. A great deal of work has been done on this bill, first of all by the Criminal Code revision commission; then by the law officers of the Department of Justice; by the commissioners on uniformity of legislation, criminal section; by the departments of the attorneys general of the various provinces; by the Nova Scotia bar; by the British Columbia bar and by the other place and its banking and commerce committee, especially by a subcommittee consisting of Senator Hayden, Senator Farris and Senator Roebuck. Having regard to all of this work that has been done there is no reason, in our opinion, why a careful and thorough consideration cannot be given to this Bill 93 by the House of Commons committee and by the house itself before the end of the present session. Certainly it is the intention of the government to proceed vigorously with the consideration of the bill to that end.

Motion agreed to.

QUESTIONS

PERMITS FOR USE OF STEEL

Mrs. Fairclough:

1. How many applications have been received for permits for use of steel since December 1, 1950?
2. How many permits for use of steel have been issued since December 1, 1950, (a) to whom were they issued; (b) what was the date of issue; (c) for what quantity was each permit issued?

Mr. Dickey: Mr. Speaker, on several occasions I have discussed the question with the hon. member and she advised me yesterday that she wished to have it dropped for rewording.

Mr. Speaker: Dropped.

FISHERIES, N.S.—VALUES

Mr. Balcom:

What were the fisheries landings and landed value for the years 1951 and 1952 for Halifax, Lunenburg, Queens, Shelburne and Yarmouth counties, Nova Scotia?

Mr. MacNaught:

	1951		1952	
	Landings Cwt.	Landed value $	Landings Cwt.	Landed value $
Halifax County	934,198	4,718,506	923,970	4,716,559
Lunenburg County	633,905	2,403,906	674,203	2,688,728
Queens County	113,534	599,948	109,146	550,745
Shelburne County	487,662	3,750,169	553,838	3,741,243
Yarmouth County	235,566	2,346,676	249,573	2,723,190

CANADIAN NATIONAL RAILWAYS—ROLLING STOCK

Mr. Catherwood:

1. How many new passenger coaches have been added to the Canadian National Railways system, during the past five years?
2. How many in 1952?
3. How many have been scrapped during the past five year period, and how many in 1952?
4. How many oil burning locomotives have been added during the five year period from 1948 to 1952 inclusive, and how many in 1952?
5. How many steam locomotives were added during the past five years, and how many in 1952?
6. How many have been scrapped during the past five years?
7. How many refrigerator cars were added during the five year period ending December 31, 1952, and how many in 1952?

[Mr. Knowles.]

Mr. Benidickson:

The Canadian National Railways advise as follows:

1. 61.

2. Nil.

3. During the last five years, 94; during 1952, 24.

4. 1948 to 1952 inclusive—new diesels, 269; 1952, new diesels, 66.

1948 to 1952 inclusive—new oil burning, 6; 1952, nil.

5. During the past five years—Coal burning steam locomotives, nil; 1952, nil.

6. Steam locomotives scrapped, 108.

7. New refrigerator cars—During the past five years, 1,100; during 1952, 500.

Questions

HALIFAX COUNTY, N.S.—FISHERIES VALUES

Mr. Balcom:

What were the fisheries landings and landed value by species, for the years 1951 and 1952, Halifax county, Nova Scotia?

Mr. MacNaught:

	1951		1952	
	Landings Cwt.	Landed value $	Landings Cwt.	Landed value $
Cod	412,043	1,465,592	375,305	1,453,936
Haddock	155,903	730,715	177,906	836,527
Pollock	29,251	32,402	40,881	68,549
Hake	15,867	25,623	17,824	30,130
Cusk	1,240	1,482	1,376	2,217
Rosefish	31,424	93,813	28,406	81,314
Catfish	6,438	13,677	5,645	14,773
Halibut	42,720	899,712	21,113	509,546
Plaice	110,010	357,541	121,923	411,670
Yellowtail	13,128	40,353	11,220	39,609
Witch	9,246	28,401	13,553	47,450
Flounders	9,425	30,335	.....	.....
Turbot	.....	.....	20	40
Skate	1,000	1,000	879	907
Herring	21,439	34,326	40,639	67,524
Mackerel	24,040	99,836	11,821	72,956
Alewives	3,633	6,405	2,232	3,306
Shad	10	37	45	142
Salmon	188	7,735	254	12,117
Smelts	109	2,514	244	5,925
Swordfish	4,229	172,464	5,140	131,877
Tuna	1,442	9,897	1,772	11,962
Eels	162	3,296	225	4,963
Lobsters	14,992	518,642	20,330	716,580
Clams	18,723	50,030	13,760	59,685
Scallops	1,308	52,127	1,902	94,088
Squid	338	1,459	181	855
Cod livers	4,824	12,094	8,757	18,656
Halibut livers	965	23,830	419	13,205
Swordfish livers	49	1,448	137	4,080
Tuna livers	52	1,650	61	1,900
Seals	.....	70	.....	70
Totals	934,198	4,718,506	923,970	4,716,559

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL DEFENCE, CHURCHILL—LIGHT BULBS AND PAINT

Mr. Knowles:

1. How many electric light bulbs have been purchased by the Department of National Defence, since January 1, 1948, for the defence establishment at Churchill, Manitoba?

2. How many of these have been requisitioned, and what is the total number now on hand?

3. How many five-gallon cases of paint have been delivered to the defence establishment at Churchill, by the Department of National Defence, since January 1, 1948?

4. How many have been requisitioned, and how many are now on hand?

5. Since January 1, 1948, how many five-gallon cases of paint have been shipped out of Churchill from the defence establishment on requisition, and what was their destination?

NATIONAL DEFENCE—SNOWMOBILES

Mr. White (Middlesex East):

1. How many snowmobiles or similar vehicles have been purchased for the Department of National Defence, since "Operation Muskox", May 1946?

2. From what firm, or firms, were these vehicles purchased?

3. If purchased from more than one firm, what were the number of vehicles purchased from each?

4. What has been the total cost of these vehicles?

5. What has been the disposition of these vehicles by military establishments in Canada?

Inquiries of the Ministry

BUTTER

INQUIRY AS TO GOVERNMENT POLICY IN RELEASING BUTTER

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to direct a question to the Minister of Agriculture. Will the minister make a statement to the house as to whether it is the intention of the government to release government-held butter to the trade in the very near future?

Will the minister also comment on the statement made by his parliamentary assistant in reply to a question asked by the hon. member for Souris (Mr. Ross) as to the reason for placing restrictions on the sale of this butter?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member was kind enough to give me a copy of his question. I think I can best answer it by reminding the house that over the last four years we have been following the same general policy, namely that of stabilizing the price to farmers throughout the summer months, and we have been making an attempt also to stabilize the price to consumers throughout the winter months. The first winter we were not so successful in stabilizing the price to the consumers. I am not going to comment any further than to say that. During the second winter we had some difficulties as well. During the last year we have been getting along fairly well with that policy.

During the past summer we took delivery of the butter of farmers at all times when it was found impossible or impracticable for others to pay as much as 58 cents a pound for it. We bought the butter at 58 cents, or at comparable rates across Canada, to an extent which gave us about 40 million pounds of butter by the 1st of November last. At about that time we announced to the public of Canada that a reasonable return for the butter which the government had, in order to cover our costs, would be 62 cents a pound. We therefore said on December 4 last that any time we delivered butter until May 1, 1953, we would deliver it at 62 cents, which placed everyone in the trade in a position to know that there was at that time 40 million pounds of butter which could be delivered to them at 62 cents and when occasion arose to make delivery necessary, we would act so as to keep ourselves in position to carry out our undertakings.

Between then and now we have delivered 10 million pounds. The trade has 15 million pounds, and there is coming on to the market month by month 10 million pounds that we cannot get control of in any way. Those 10 million pounds go to the trade. In other words, for the month of February there are 25 million pounds of butter available in Canada to the trade, and that much butter will not be consumed in Canada in the month of February. All of that butter will be available.

The only objective we have in mind is to see to it that our undertaking that we would be able to deliver butter to the trade right down to May 1 next at 62 cents a pound will be carried out. We will be delivering butter to the trade in order to take care of the situation and in such a manner as to provide that we carry out to the consumers the undertaking we gave that butter would be available to them at a price based on a wholesale price of 62 cents right through to the end of this present dairy year, which is down to the end of April.

EXTERNAL AFFAIRS

FORMOSA—STATEMENT AS TO CANADIAN POSITION

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, on Monday last the hon. member for Vancouver East (Mr. MacInnis) addressed a question to the Prime Minister on that part of President Eisenhower's address to congress on the state of the union which concerned Formosa. In replying at that time the Prime Minister indicated that more information might be available later in the week when it was hoped that a discussion on external affairs would take place. That discussion cannot, I think, now take place until next week, and I would therefore like to give information supplementary to that which was given by the Prime Minister on Monday.

I have had an opportunity, as have hon. members, since Monday of studying the text of the statement by the President of the United States to which I have referred. In that statement, as hon. members know, the President announced the modification of the presidential order to the seventh fleet issued by his predecessor on June 27, 1950. That order, which was given, as the house will recall, shortly after the aggressive attack on South Korea, was in the nature of an instruction to the United States seventh fleet both to prevent any attack upon Formosa from the mainland, and also to ensure that Formosa should not be used as a base of operations against the Chinese communist mainland.

The order was issued, of course, before the large-scale intervention by Chinese communist forces in Korea, and its objective was

to neutralize Formosa in order to limit the hostilities arising out of the aggression of June 25, 1950, on the Korean peninsula.

As the Prime Minister indicated Monday, the original order was an action taken on the sole responsibility of the United States government, just as the recent action modifying it with respect to what the President has termed the employment of the seventh fleet to "shield communist China" was taken on the sole responsibility of the United States government. That, however, does not make the matter one of little or merely indirect interest to other countries, including Canada.

With respect to the position of the Canadian government, while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has. As I have mentioned on several occasions in the house, on May 15, 1951, on May 22, 1951, and on April 1, 1952, our consistent position has been that this island should be neutralized, so far as that is possible, while hostilities continue in Korea. Our view has been that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which should be held when the fighting ceases in Korea; and we strongly supported the statement of principles approved by the political committee of the fifth United Nations general assembly which specifically provided for such a conference. In any decision regarding the future of Formosa, the wishes of the people there would naturally be a primary consideration.

In considering the possible effects of this recent action by the United States government, I should emphasize that on Far Eastern issues, as on other questions in which we are both concerned, the fundamental and long-term aims of Canada and the United States are similar, although naturally we may differ on occasions in our approach to specific issues and as to how these long-term aims can best be achieved.

Canadians of course know President Eisenhower well. They feel a deep gratitude for the services he has already rendered the free world and have full confidence, I am sure, in his peaceful and constructive purposes. And I am convinced that one of these purposes—as it is the purpose of this government and this parliament and our country, and the purpose of the other governments who are now engaged in Korea—is to end and not to extend the Korean war.

It should also be noted that in his statement President Eisenhower stated clearly that "this order implies no aggressive intent on our part". Nor should we, I think, assume that because of this order any large scale operations in the near future are likely to be undertaken by Chinese nationalist forces on the mainland. The order does, however, rescind that part of the original order by which the United States seventh fleet would prevent any such operations.

The original order did give, I suppose, to the communist forces in China a feeling of immunity from attack from Formosa. This has become increasingly unacceptable to the people of the United States, as the Chinese communists have continued their aggression in Korea and only recently rejected a resolution, approved by the present United Nations general assembly, which could have ended the war there on acceptable terms. The United States government has, therefore, found it necessary to take action to alter a situation which was considered no longer to have its original justification.

It is no doubt hoped that this change may keep more Chinese communist forces in China and hence have an advantageous effect on United Nations operations in Korea. It would of course be another matter, as hon. members will be aware, if Chinese nationalist raiders or invading forces were escorted or protected in their operations by the armed forces of other United Nations governments. We have no reason to believe, however, on the basis of any information available to us that any such development will take place, the consequences of which would be far-reaching.

We are not of course committed by, though naturally we are concerned with, the action taken in Washington in connection with this matter. The government will follow developments with the closest possible attention and take appropriate action to make our views known if and when the occasion so warrants. Meanwhile I think it would be unwise and premature to jump to dogmatic or critical conclusions concerning the step taken by the United States government, and announced in a statement by President Eisenhower which contained so much that was wise and heartening to us all.

Mr. MacInnis: May I ask a supplementary question. First, can the Secretary of State for External Affairs tell the house when a debate on this subject will be undertaken; and second, whether the government was informed of this contemplated action on the part of the United States, and whether the government has been informed of any other action, in addition to this, in the same area?

Mr. Pearson: So far as the first question is concerned, it is hoped that a discussion on external affairs may take place in the early part of next week, perhaps Monday or Tuesday. Replying to the second question, as the Prime Minister (Mr. St. Laurent) indicated last Monday, we were informed as a matter of courtesy about this United States unilateral action before it took place. We were informed on Friday last that this paragraph would be included in the President's message. We have no information about any possibility or likelihood of any subsequent action being taken by the United States government.

WHEAT

INTERNATIONAL WHEAT CONFERENCE—REQUEST FOR STATEMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Trade and Commerce in connection with the international wheat conference at Washington. Is the Canadian government taking an attitude similar to that of United States representatives who, as is reported in a Reuters dispatch from Washington, are asking for an increase of approximately 36 per cent in the present ceiling price and approximately 55 per cent in the present minimum price?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Since the international wheat conference is a private meeting, and since they are negotiating the possibility of a renewal of the international wheat agreement, I think it would be improper for me to comment upon or discuss what our position is, or what is being put forward there.

The Reuters dispatch, which the hon. member was good enough to show me, does mention in its text that this meeting is a private conference. It prefaces the story with such expressions as "sources said", "it was learned", and so on. I do not know that it would be proper for me to enter into a discussion as to whether or not the story is accurate.

I think it might be helpful, however, if I were to remind the house that on May 26 last, at the conclusion of the first part of this present conference, the Minister of Trade and Commerce (Mr. Howe) made a statement to the house which contains this paragraph:

> With the unanimous agreement of all the advisers, the Canadian delegation took the position that a substantial increase in prices was justified in a renewed agreement and made proposals along that line. The United States and Australia, the two other principal exporters, also put forward proposals for a substantially higher range of prices.

I do not think I should go further than that in answering the hon. member's question.

Mr. Argue: Would the parliamentary assistant give us some idea when the conference may conclude, and when a statement may be made in the matter?

Mr. McIlraith: No, I cannot tell when the conference would conclude. That would be something quite outside our control.

SAINT JOHN BRIDGE AND RAILWAY EXTENSION COMPANY

PROVISION FOR ACQUISITION BY CANADIAN PACIFIC RAILWAY

The house resumed, from Friday, January 23, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 38, respecting the Saint John Bridge and Railway Extension Company.

Mr. Brooks: Could we have an explanation from the minister?

Mr. Chevrier: May I make it in committee?

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

Mr. Brooks: We would like to have a statement by the minister.

Mr. Chevrier: I asked the hon. member if I might be permitted to make it in committee.

Mr. Green: We are proposing to suggest that this bill be sent to the standing committee on railways, canals and telegraph lines. If that is to be done, discussion in the house would have to take place on the motion for second reading.

Hon. Lionel Chevrier (Minister of Transport): I have no objection to speaking now. The Saint John Bridge and Railway Extension Company was incorporated by the statutes of New Brunswick (1881) 44 Victoria, chapter 44, with authority to construct and maintain a line connecting the Saint John and Maine Railway at Fairville, New Brunswick, with that of the Intercolonial Railway at its terminus in Saint John, New Brunswick. It was also authorized to construct a bridge across the Saint John river as part of this undertaking. The company was declared to be a work for the general advantage of Canada by chapter 26 of the statutes of Canada, 1883.

By the act last mentioned the federal government was authorized to make a loan to the Saint John Bridge and Railway

Extension Company of $433,900 upon the security of a mortgage on the entire assets and property of the company. The loan was made and the mortgage given by the company to the federal government on December 10, 1883.

The loan was repayable in 15 years and in 1898 under authority of chapter 9 of the statutes of 1898, the maturity date was estended for another 15 years. No further extension has been given but interest has been paid annually at 4 per cent.

The Canadian Pacific Railway Company acquired a majority of the common stock of the bridge company in 1905 and for many years has owned all outstanding shares and securities. The Canadian Pacific Railway Company has advised the government that it is now prepared to repay this loan and wishes to take an assignment of the mortgage. The Canadian Pacific represents that it is necessary, upon repayment, that all title of Her Majesty in the properties mortgaged become vested in the Canadian Pacific and that its right to ownership of the shares and securities be beyond question.

Although the bridge company is a separate corporation, it is by ownership and operation an integral part of the Canadian Pacific system. In view of this it is desirable that the companies be given the powers contemplated by sections 151 to 153 of the Railway Act.

This is the ordinary type of bill which is passed under similar circumstances when a debt or loan is repaid. It consists of the usual assignment, not only of the mortgage security on the property but also the right to sue on the demand covenant as well as the rights under the usual covenants mentioned in the document.

This is a simple bill for the purpose of enabling the Canadian Pacific Railway Company to repay the loan to the government and to have the title of Her Majesty in the properties covered by the mortgage vested in the Canadian Pacific Railway Company.

Mr. A. J. Brooks (Royal): Mr. Speaker, I am not rising to oppose this bill as I know it has been considered by another place, but I think perhaps there is a little more interest in it than might be indicated by what the minister has said. I do not intend to go into the history of the Saint John Bridge and Railway Extension Company except to say that in the early days this bridge provided an important link in our Canadian transportation system between the eastern part of New Brunswick and Nova Scotia and the western part of the province and the United States.

When this matter first came up I read over the debates in 1883 when this particular bill asking for a charter from the province of New Brunswick to a private company was before the dominion house. The resolution was presented by Sir Leonard Tilley, who was the member for the city of Saint John. It was pointed out at that time how important this railway link was. Sir Edward Blake, who took part in the debate, as did Sir Charles Tupper, objected to a private company getting control of such an important link in our transportation system.

The objection at that time was based on the fact that there were other railways which were interested, and that there was a possibility of the shares of the company being purchased by one railway to the disadvantage of the others. The shares were purchased, as the minister has told us, by the Canadian Pacific Railway in 1905, but there has been no intimation that this has worked to the disadvantage of any other company. Sir Edward Blake referred also to the matter of tolls which he contended should be controlled by the federal government if they did not build the bridge themselves. Sir Leonard Tilley explained that they would be under the control of the federal government.

I think it is only natural that the Canadian Pacific should get control of this bridge and railway. As far as is known I believe they have acted fairly with the other railways. This bridge is used not only by the Canadian Pacific but also by the Canadian National and in the past it has been used by other railroads. Now that the Canadian Pacific virtually will be the owners of this bridge I should like to ask the minister what arrangements have been made for the protection of the Canadian National and other railways which will use it. Is this bridge to be a separate entity or are running rights to be given, not only over the bridge but over that part of the railroad line which is owned by the Canadian Pacific and used by the Canadian National?

There is another point that occurs to me. This act was passed by the federal house 70 years ago, and it is over 70 years since the act was passed by the New Brunswick legislature. In Saint John for the past number of years there has been a feeling that there should be a bridge across the Saint John harbour. I should like to ask the minister whether any representations have been made to his department for assistance in the construction of a bridge across that harbour, which possibly might be joined in by the Canadian National Railways and the Canadian Pacific Railway Company.

These are some questions which I should like to have the minister answer. I would

suggest also that the bill be referred to the standing committee on railways, canals and telegraph lines.

Mr. D. A. Riley (Saint John-Albert): Mr. Speaker, I commend the hon. member for Royal (Mr. Brooks) for introducing into the discussion of this bill a subject which has been uppermost in the minds of all of us in Saint John for some time. This railway bridge is the only bridge across the Saint John river or harbour between Saint John and Fredericton. Along with the highway bridge which is adjacent, it is the only link between Saint John proper and Lancaster and thence the southwestern section of the province.

The question of a new bridge has been under study by the people of Saint John for many years. The need for civil defence has brought this problem more prominently to the fore. I suggest to the minister that he give some thought to the question of a bridge across Saint John harbour. We must remember that practically the only means of transportation now existing between the central and western sections of the city of Saint John and the city of Lancaster which lies adjacent thereto is an antiquated ferry-boat, the operation of which is costing the city of Saint John a considerable amount of money each year, because it operates at a deficit.

I know that before very long stronger representations than ever are going to be made to the Minister of Transport (Mr. Chevrier) in connection with this proposed bridge. I hope that by having this advance notice of the intention of the people of Saint John he will be in a position, and the engineers of his department will also be in a position, to give the question full consideration. Perhaps the engineers might work on the subject and see if there is not some way whereby the people of the city of Saint John can be given more ready access to that part of the city which lies on the western side of the harbour. It should also be taken into account that this railway bridge, together with the adjacent highway bridge, constitute the sole link between the east and west sides of the Saint John river above Fredericton.

Mr. Deputy Speaker: If the minister speaks now he will close the debate.

Mr. Chevrier: I am grateful to hon. members who have taken part in this debate for the matters they have brought to the attention of the house. However, I would remind hon. members that this is a simple bill which has only two things in mind. The first is whether or not we shall accept payment of a mortgage which is owing by the company in question to the crown for $433,000 odd, and then whether we shall grant title as requested under the terms of the bill. That is all that is before the house. There is no question of tolls, no question of running rights of the Canadian National Railways and no question of building another bridge across the Saint John harbour.

Mr. Brooks: I was simply going to ask whether or not the protection of any other railroad would be of interest in connection with this bill.

Mr. Chevrier: It might be of interest. All these questions are of interest to the house and of interest to hon. members, more particularly, I would think, to the hon. member for Saint John-Albert (Mr. Riley) who has just spoken; but whether they deal with the matter under discussion is another thing. What I am trying to say to the hon. member, as respectfully as I can, is that this is a simple bill to determine the right of acceptance of the moneys owing and, next, to give title under the act to the company paying the money.

For those reasons I do not see the slightest occasion for referring this bill to the committee on railways, canals and telegraph lines but I am not going to take that position. If my hon. friend feels that he, and those whom he represents, will be more adequately protected by reference of the bill to that committee I am not going to stand in the way. I do not think it is necessary because the matter is so simple. Now, since he has asked some questions perhaps I should deal with them.

He has inquired about the matter of tolls. Well, again I say this bill does not deal with tolls. The board of transport commissioners is the body charged with the responsibility for establishment of tolls upon application by railways and other groups. Also he inquired what subsidiary corporation was operating this bridge. My understanding is that the Saint John Bridge and Railway Extension Company was incorporated in 1881, and in 1883 the company was declared by this parliament to be a work for the general advantage of Canada. In 1885 the bridge and railway were completed and operated by the New Brunswick Railway Company, who took over operation of the bridge. Since then the property in the bridge has been taken over by the Canadian Pacific Railway who, in 1905, purchased a controlling interest in the shares of the company. So the parent company, as I understand it, is the Canadian

Pacific Railway and the subsidiary is the Saint John Bridge and Railway Extension Company.

With reference to the representations in connection with a bridge across the harbour of Saint John, that with other matters I think might be dealt with at the proper opportunity. We are charged here with one responsibility, and if my hon. friend will allow me, I would like to deal with that particular responsibility now and with the others when the opportunity arises.

If my friend feels, and if the opposition feels, that this bill should go to the committee I will not raise any objection. I therefore move that it be referred to the standing committee on railways, canals and telegraph lines.

Mr. Brooks: I was just going to reply to a remark made by the minister.

Mr. Deputy Speaker: Order. This cannot be allowed, as the hon. member knows. The minister has closed the debate; this is second reading of the bill.

Mr. Brooks: I just want to ask a question. Under section 3 it says that this is subject to the provisions of sections 151, 152 and 153 of the Railway Act; and also that it is subject to section 6 of chapter 47 of the statutes of 1890. That I think has to do with tolls and the acquiring of running rights by other railways over this bridge and this road.

Mr. Chevrier: I have section 6 of chapter 47 of the statutes of 1890 here and it has nothing to do with tolls. It simply sets out the manner in which transactions shall be carried out and, in so far as clause 3 of the bill is concerned, it should be stipulated in the special act that the company paying off the mortgage may have the right to enter into agreements with another railway company. The Canadian Pacific Railway, which is paying off the mortgage, would, I take it, like to continue or enter into agreements with the Saint John Bridge and Railway Extension Company. It is for that reason that the section is included in the bill.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION

AMENDMENTS RESPECTING PAYMENT CERTIFICATES, ANNUAL BUDGET, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 39, to amend the Canadian Overseas Telecommunication Corporation Act.

Overseas Telecommunication Act

He said: Mr. Speaker, in 1949 parliament enacted the Canadian Overseas Telecommunication Corporation Act. Under that act the Canadian Overseas Telecommunication Corporation, commonly referred to as the C.O.T.C., was established as a crown corporation without share capital. The corporation was set up for the purpose of taking over the property and equipment in Canada of the Canadian Marconi Company and Cable and Wireless Limited used in connection with external communication services, and to operate these services as a unit within the commonwealth telecommunications system.

Since this act was passed in 1949 two important measures have been enacted by parliament which relate to financial operations of crown corporations. First, in 1951 the Financial Administration Act was passed, and part VIII of this act applies generally to crown corporations including the Canadian Overseas Telecommunication Corporation. Part VIII of the Financial Administration Act contains provisions that are designed to regulate the financial operations of crown corporations.

Second, in 1952 the Income Tax Act was amended to apply to crown corporations specified in schedule D of the Financial Administration Act. The Canadian Overseas Telecommunication Corporation is one of these crown corporations which is now subject to the Income Tax Act.

The bill provides for the removal of the mandatory requirement on the corporation to pay annually to the Receiver General an amount equal to its operating profit, and also the provision requiring payment to the corporation of an amount equal to its operating loss, to be paid from moneys appropriated by parliament for that purpose.

The proposed amendment would permit the corporation to accumulate a surplus to be used for capital development and expansion purposes, as well as to provide a surplus for contingencies. As the corporation would be subject to the provisions of part VIII of the Financial Administration Act, its capital budget would have to be approved by the governor in council and the expenditure of any surplus remaining after the payment of income tax would be subject to approval of the government.

Since the corporation commenced business as a unit within the commonwealth telecommunications system on April 1, 1950, its operations have been profitable, as shown in the corporation's annual reports tabled in this house. It is expected that the corporation will pay to the federal government taxes for the year 1952 estimated at $129,768, subject to adjustment.

I think the reports that have been tabled already indicate that for the first year's operation there has been a surplus of somewhere in the neighbourhood of $85,000; for the second year the surplus is somewhere in the neighbourhood of $150,000, both of which amounts have been turned over to the federal treasury.

With the changes contemplated in this bill, the corporation would have some flexibility in its financial arrangements and, subject to the provisions of the Financial Administration Act, would be permitted to set aside a portion of its surplus, after payment of taxes, to be used for capital development and contingencies. Part II of the bill is merely for the purpose of the new revised statutes.

Mr. W. J. Browne (St. John's West): This is the first time we have heard about the Canadian Overseas Telecommunication Corporation since it was set up in 1949. There have been reports, as the minister stated, which were tabled in the house and which appeared in the Auditor General's report a long time after they had been prepared. Hon. members will recall that the purpose of setting up the corporation in 1949 was to take over Cable and Wireless Limited which, as its name implies, was the company which operated cable and radio telegraph communications owned by the British company, in conformity with an agreement with other members of the commonwealth.

At that time hon. members may remember that a large sum of money, some $4·5 million, was appropriated for the purpose of taking over the assets of the company. We have not yet received any statement of how that money was disbursed. Questions asked when the bill was under consideration received answers that the matter had not yet been adjusted. From an examination of the two reports it will be seen that the adjustment had not been made up to the time of the last report dated March 31, 1952. As the minister states, the corporation has been a profitable business venture, having a profit of $89,000 in the first nine months of its operation and about $190,000 in its second year of operation.

An examination of this bill as it stands gives the members of this house very little information. The study I have made of it indicates that the bill is quite complicated. It is of such a nature that it seems to me that, like the previous bill, it should be referred to a committee. I am not sure if the financial statements have been examined in the public accounts committee, but I believe the time is opportune when some consideration should be given to the details which were not available when the former bill was under consideration.

Mr. Chevrier: May I tell the hon. member that it is my intention to move to refer this, for the very reasons he has mentioned, to the committee on railways, canals and telegraph lines.

Mr. Browne (St. John's West): I am glad to hear the minister's statement in that respect. There are, however, one or two things of a general nature which I should like to mention. The corporation operates radiotelephone and has to do with telephone communication with Newfoundland. Hon. members will recall that a reduction was made in the rates between Newfoundland and other parts of Canada a few months ago. At that time I protested that the rates were not sufficiently reduced and we were not given the advantage of special rates after 6 p.m. in the evenings and on Sundays as is done elsewhere in Canada. In the last report of the corporation I noticed that business between Newfoundland and the other provinces of Canada had increased by about 20 per cent, whereas communications across the Atlantic had declined. It seems to me, therefore, that since the corporation has been making so much money on its business with Newfoundland, there is every justification for a greater reduction in rates than we received.

The minister has referred to the purpose for which the excess revenue over expenditures will be used, and stated that it will be for capital expansion. In the *Gazette* of last Saturday I noticed a picture of one of the officials of this corporation in Montreal explaining to the premier and attorney general of Newfoundland a plan for a new building to be erected in St. John's which was going to cost a quarter of a million dollars. It seems to me that members of this house are entitled to that information before it is given to the public. We do not know anything about this corporation. It seems strange that the government should be conducting so many large businesses, and that plans should be decided upon for large expenditures of money before the legislation authorizing them has been passed in this house.

In studying this simple bill I have been impressed with the lack of information that hon. members have on these corporations that are included in schedule D of the Financial Administration Act. It is true that the business of Canadian National Railways is considered by a special committee, but hon. members should not have to guess at what is going on in a corporation of this kind. It

is true that perhaps only $2 million of revenue is involved, but the principle remains. I am, therefore, very glad to know from the minister that this bill will be referred to a committee, and I presume it will be the committee on railways, canals and telegraph lines.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

RECOVERY OF INCOME TAX DEDUCTIONS

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 19, to amend the Canadian Vessel Construction Assistance Act.

He said: Mr. Speaker, I wonder if I may have permission to deal with this in committee. When the original bill came up for discussion it was referred to committee of the whole and not to a standing committee. I would hope that it would be the feeling of the house that we should do the same with this amendment. It is, in fact, only an amendment to one section of the original bill. If I could have the permission of the house, I should like to make a statement in committee.

Mr. Green: We were not intending to ask that this bill go to any committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Beaudoin in the chair.

On section 1—*Recapture where survey completed.*

Mr. Chevrier: Before attempting to explain the present bill it should perhaps be observed that under section 7 of the Canadian Vessel Construction Assistance Act shipowners are permitted each year to transfer to reserve account a limited sum of tax-free money. The purpose of that section is to enable an owner to accumulate sufficient funds to meet certain extraordinary expenses which he has to incur periodically in connection with the special surveys or inspections of his ship. The intervals at which special surveys must be held are either every four or every five years depending upon whether the survey is for purposes of insurance under the rules of a classification society or for purposes of safety under the Canada Shipping Act.

It has been found necessary to amend the section in order to guard against the loss of revenue by leaving tax-free reserves in the hands of shipowners for indefinite periods of time. Accordingly the present amendment provides machinery for periodically recapturing or rendering taxable such of these reserves as are not or cannot be used for the purpose for which they were intended as, for instance, in cases where the amounts set aside exceed the costs of survey or where a ship is lost or sold at some time during one of these four or five year cycles.

The amendment now before the committee requires all reserves to be brought into profit and loss account in the year in which the survey was completed or in which the ship was lost or sold. It should be observed that under the amendment the reserve account periodically becomes self-liquidating. If, on the one hand, the ship is lost or sold, the reserve must thereupon be brought into profit and loss account. If, on the other hand, nothing happens to the ship and the survey is held in due course, the reserve is brought into profit and loss account in the form of a credit and the costs of survey are entered in the same account by way of offsetting debit.

Mr. Green: Mr. Chairman, this Canadian Vessel Construction Assistance Act was passed in 1949 with the object, among others, of encouraging shipbuilding in Canada. It contained a provision for accelerated depreciation in the case of the construction of new vessels and also in the case of repairs, as I read the original act. Then there was this help given in the way of allowing a reserve to be set up from which the quadrennial survey and certain other expenses which would occur from time to time could be provided for in the intervening years.

This amendment before the committee today purports to make provision for recovering taxation on these reserves. In effect it is certainly not going to be of any help to the shipbuilding industry. It is the reverse. It is a help to the Department of National Revenue. I can see the reason for making these reserves taxable where the survey has not been held. For example, if the ship has been lost in the meantime, then there would appear to be no reason why that money which has been put in a reserve should not become taxable. But it is not so clear why the money which has actually been spent on the survey should be taxable.

The minister did not explain that point in his opening remarks. But as I read section 1 of the bill, once the survey has been made and has been paid for, taxation is to be levied on the amount actually used in payment for the survey. I do not understand why such payments should not be allowed

as an operating expense and thus not be taxable at all. I may not have the correct explanation of the section, but to me it reads in that way.

Mr. Chevrier: They are allowed as an expense.

Mr. Green: I hope that is correct. We can go into that matter in a little more detail in a few minutes.

While one object of the original act was to aid shipbuilding in Canada, another equally important objective was to modernize the Canadian merchant navy. This had become necessary because of the fact that the ships we built during the war were all slow cargo vessels quite unable to compete with the faster ships which were being built by other countries, commencing immediately after the war.

I have here the various reports of our own Canadian maritime commission, all of which substantiate my statement that Canada needed a modern, fast merchant navy. Similar statements have been made from time to time by the minister himself. I doubt whether he or anyone else would question the fact that one of the great needs in Canada since the end of the last war has been to build up a modern merchant navy. If we cannot succeed in doing that it is only a matter of time until we cease to be a maritime nation in so far as deep-sea shipping is concerned.

This plan was therefore brought in to encourage the building of modern cargo vessels. There was also, of course, what was known as the replacement plan under which, if the owner of one of the slow, war-built cargo vessels sold his ship, he had to put the proceeds into an escrow fund managed by the Canadian maritime commission, the idea being that that money would eventually be used in the construction of a modern vessel.

The result of these two plans—the Canadian Vessel Construction Assistance Act and the replacement plan—has been that Canada has built a great many ships for the great lakes trade and also for coastal shipping. For that reason I believe that the plans can be considered as being at least partially successful. Mind you, the bulk of our shipbuilding now is naval shipbuilding. I do not know the percentage—the minister can tell us that—but perhaps 75 or 80 per cent of the value of shipbuilding in the country today is for the Department of National Defence or for some other department of government.

As to naval shipbuilding and building for the great lakes trade and for the coastal trade, the situation seems to be fairly satisfactory. But when we turn to the building of vessels for the deep-sea trade, the picture is entirely different. We have built very very few modern cargo vessels. I believe that two tankers are now being built, but so far as I am able to ascertain from the fifth report of the Canadian maritime commission, which is dated June 30, 1952, no other modern cargo vessels or modern tankers have been built for the ocean-going trade.

If we turn to page 6 of the report we find great jubilation because of the fact that these two tankers are being built. The paragraph in question reads:

> What must also be regarded as an encouraging development took place toward the end of 1951.

Mr. Chevrier: May I interrupt my hon. friend? I do not want to stop him from discussing the problems of the Canadian maritime commission; neither do I want to interfere with the discussion of the subject which he is now introducing, but I have not come here prepared to deal with that subject. I am here ready to discuss the bill that is before the committee, which is a depreciation measure, and which simply seeks to recapture certain of the funds that shipowners and shipbuilders are claiming as exemptions. Now, if the chair wants to allow the hon. member to go into a full discussion of the shipbuilding problems in Canada, I will not object. I think that I can draw on my memory to deal with them, but it will be in only a very general way, and it certainly will not be in as satisfactory a way as I would like it and I am sure as he would like it to be dealt with. Therefore I raise the point.

Mr. Green: I am going to suggest that further provision should be made in this bill to help meet the situation, and I think I am quite in order in doing so. To lay the groundwork for that I must complete this picture. The paragraph to which I was referring reads as follows:

> What must also be regarded as an encouraging development took place toward the end of 1951. This was the placing of an order for a 28,000 deadweight ton tanker for Canadian registry, the first ocean-going vessel to be constructed under the commission's replacement plan, followed early in the new year by an order from the same owners for a second tanker of similar dimensions. The commission has always been anxious to see the primary purpose of the plan fulfilled through the building of new ocean-going tonnage, and it is to be hoped that the two new tankers will prove to be the forerunners of other ocean-going vessels built in Canadian shipyards.

We are building modern vessels for other countries. I believe some are being built in the Vickers yards in Montreal at the moment. The policies do not seem to be broad enough

to result in having these fast vessels built for Canada. The minister was asked about this during the last session, and at that time—

Mr. Chevrier: Mr. Chairman, I am afraid I must ask for a ruling. I think this is wholly out of order on the matter before us. This is a bill which has to do with the recapture of certain moneys exempt from income tax under the Canadian Vessel Construction Assistance Act. I think this discussion is going away beyond the subject before the house.

Mr. Green: I am just laying the foundation, sir, for my suggestion that further provision should be made in this bill.

The Chairman: Would the hon. member mind telling us what his suggestions are. We can realize that he is laying a foundation for his argument, but we do not know whether he is leading toward it or not.

Mr. Chevrier: I am afraid I have to interrupt again. In order to lay a foundation the hon. member must have something before the committee either by way of amendment to this section or by way of amendment to the bill. There is nothing before the committee other than section 1. It is true that he can talk on section 1 in general terms, but he certainly cannot go on and deal with the Canadian maritime commission report, which is not a matter that concerns this particular bill. There will be an opportunity on at least two occasions, when the amendments to the Canada Shipping Act are brought before the house and again when the estimates of the Department of Transport are up and we call the item having to do with the Canadian maritime commission, to deal with all the matters which my hon. friend seeks to discuss now, so that he is not being restricted, nor is there any unfairness in view of the fact that he will be perfectly at liberty to deal with this subject at a later date.

Mr. Green: This is legislation to assist shipbuilding in Canada. The minister has brought in an amendment to the Canadian Vessel Construction Assistance Act today which in my opinion does the opposite. If anything, it hampers shipbuilding in Canada. Certainly the amendment is not helping to meet the situation that I am disclosing.

Mr. Chevrier: I disagree.

Mr. Green: The minister may disagree; that is his privilege, but any hon. member is entitled to discuss the bill from that point of view. I am going to suggest to the minister that he give consideration to making some further provision in this act which will bring about the construction of modern deep-sea vessels in Canada. I think that is perfectly in order. For example—

The Chairman: Order.

Mr. Green: —I hold in my hand the *Foreign Trade Journal* of January 17 of this year.

The Chairman: Order. I thank the hon. member for having clarified his position and explaining to the committee what his intentions are. Now that he has given us his intentions I am in a better position to say that in my humble view he is not in order.

Mr. Green: May we not discuss shipbuilding?

The Chairman: It is true that this is a bill to amend an act which is designed to bring about some assistance to vessel construction, but it deals only with depreciation that is to enable the shipowners to make certain deductions. What the hon. member has in mind is something to further amend the act in order to make it more appropriate to help the construction of vessels along the lines he has suggested. But right now we must deal with section 1. That is all that is before the committee. If he feels that this is not going to provide to the shipowners the type of help which the minister has suggested, he may speak to that, but not to suggest how further help by way of further amending the act should be given.

All we have before us now is clause 1 which deals with depreciation, certain deductions that shipowners are entitled to make.

Mr. Green: Surely I am not to be put in the position that because I agreed to let this bill receive second reading without discussion, I can only deal with the actual proposals contained in section 1. In the first place, as you know, Mr. Chairman, a practice has developed in this house under which we have a wide discussion on section 1. In the second place, on second reading of this bill amending the act any hon. member would have been entitled to say that this amendment does not go far enough, that there should be other amendments to the act to bring about the purpose which parliament had in mind when the original act was passed, and that is all I am trying to do now.

The Chairman: I do not want to start a long discussion on procedure or on the point of order. I think the hon. member will agree that if this house by practice has authorized a general discussion of the bill on clause 1 of a bill he will agree that that does not entitle him to discuss the whole act. He can discuss generally the amendment provided by the amending bill. In this instance the

amending bill is limited to one particular. He can discuss generally that one particular.

Mr. Green: Oh, well—

The Chairman: I know the hon. member and others on both sides of the house have expressed varied opinions on the type of general discussion that is supposed to take place in committee on the first clause of a bill.

I have experienced that many times. But it seems unreasonable for hon. members to believe that, although by practice they are entitled to have a general discussion on the first section of a bill, they can discuss the whole act, and spend most of their time trying to advance arguments supporting another point, or in support of something else they would like to see in the bill.

If the hon. member is laying a foundation for a suggestion he has in mind along that line, then I am afraid he will be out of order most of the time. Perhaps he should be content to make passing references to other things he would like to see in the bill, but to direct his remarks particularly to the depreciation clause authorized by this amending bill.

The hon. member has said that because he agreed to have the bill considered in committee he should not now be prevented from saying what he would have been allowed to say in the debate on second reading. I would point out to him that in the debate on second reading he would have had to address himself to the principle of the amending bill. He could not have discussed the sections of the bill, and his speech in any event would have had to be relevant. See *Votes and Proceedings*, Monday, 14th November, 1949, page 237.

Now that second reading has been adopted, while I may sympathize with the hon. member's position I cannot allow him in committee to make the type of speech which could have been allowed in the debate on second reading. As I said a moment ago, this difficulty can be resolved easily if hon. members indicate their willingness to make progress. I would ask the hon. member's co-operation in this regard.

Mr. Green: If that is to be the position, then certainly the opposition would be very foolish on any future measure to agree to any minister's suggestion that a bill go to committee without a debate on second reading. I did this today to facilitate the minister's wishes.

Mr. Chevrier: That is not so.

Mr. Green: My speech would have been completed fifteen minutes ago if the minister had not objected. I must point out to Your Honour, with all respect, that there is no rule of procedure which says that when an amendment is up for consideration an hon. member cannot suggest that such amendment does not go far enough, or that there should be further amendments.

For example, some of the points I was going to suggest come within the scope of a measure of this kind. Yet Your Honour makes discussion impossible if a member must deal only with the one amendment placed before us, and cannot suggest any other variations by way of amendments. Your Honour makes debate impossible, if that is the position in which I am placed at the moment.

Mr. Chevrier: On the point of order, I cannot allow the hon. member to make the statement he made a moment ago without making some comments. I am sure upon reflection he will admit that his statement was not fair, when he said that he was prejudiced in his opposition because he allowed second reading and permitted the house to go into committee.

The hon. member knows as well as I do that if the discussion had taken place with Mr. Speaker in the chair the only matters to which he could have referred would be those concerning depreciation. That is the only matter dealt with by this amendment to the Canadian Vessel Construction Assistance Act. Therefore he could not go on to talk about Canadian vessel construction or replacement plans. He could not, to my way of thinking, discuss naval vessel construction in this country.

This bill refers to one form of assistance which was passed in 1949. The amendment is not sought either to assist or to be detrimental to shipping companies. It is simply to recapture certain amounts of money exempted from taxation but not expended on a quadrennial survey, or moneys unspent because a ship has been lost.

If the hon. member wishes to discuss methods by which we can assist the shipping industry or the shipbuilding industry by way of amendment to this depreciation section, he is perfectly welcome to do so, and I shall be delighted to hear his suggestions. But if he wants to discuss the whole government policy as established by the maritime commission, and other shipping matters related to the Department of Transport, then there will be no end to the discussion. I submit, with all respect, that the discussion should be on the depreciation feature, because that is the point before us now.

Mr. Green: If that is to be Your Honour's ruling, I am bound by it.

Mr. Chevrier: That is all the amendment is.

Mr. Green: I would point out to the minister what has been done recently in Japan, but I cannot do so if the rule is interpreted in this way. What is the use of trying to debate the matter if we cannot bring these points out?

The Chairman: If this were an amendment to the Criminal Code, does the hon. member think he would be entitled to discuss the whole of the Criminal Code? Would he discuss the whole of it just because he thinks a further amendment should be brought in? That was the precise point made not so long ago in the house.

If the hon. member wishes to amend the bill further, we must dispose of one section first. Then he may rise in his place and say, "I should like to propose another clause, which will be known as clause 2, and which I now move." He would say that it reads in a certain way, and then would discuss it. That amendment would then be put and discussed.

Normally bills have more than one section, and when the bill is in committee hon. members have a general discussion on the first section. It so happens that this particular bill is an amending bill with only one section.

Mr. Green: There are three sections in it.

The Chairman: The other sections are merely to bring the new section into accord with the revised statutes about to be published. It is the standard procedure which is followed in almost all the bills which have been brought in, or which are likely to be brought in, until the revised statutes are published.

Therefore the bill has only one section, in effect. I would not want the hon. member to remain under the impression that I wish to curtail discussion. I feel quite sure I am being fair not only to the hon. member, but to hon. members in all parts of the house, and particularly those of the opposition. I would be prepared to hear any other members in the opposition who feel that I am not being fair in this instance.

I feel, however, that I am following what has been done in the past when I interpret the rule to mean that discussion must be strictly relevant to the section. Discussion must always be within the scope of the amending bill. I do not mind passing references to other amendments the hon. member may think should be included, but I do suggest he should not make a speech on such a point, or lay the foundation by quoting what has been done by the maritime commission, or by quoting press reports or questions the minister has been asked in the past.

I want to be as fair as I can. I would not want to make a ruling, but if that is the way I must act I would have to say that I so rule.

Mr. Green: I do not understand what Your Honour has in mind. You say that I can make passing references to ways in which this measure might be improved. What does Your Honour mean by that? That is all I was trying to do. If I can do that, all right; if I cannot do that, there is no use dealing with the measure at all.

The Chairman: I am afraid the hon. member and I do not have the same conception of what is meant by a passing reference.

Mr. Gibson: Reference is made in this section to a taxpayer, and to the moneys which are accumulated in this fund. Should a vessel be lost and the value be all recaptured in the one year I was wondering what the effect would be on an individual taxpayer as compared with a corporation taxpayer. Would an individual taxpayer's income tax not be considerably higher if it were collected all in the one year?

Mr. Chevrier: I do not think that there would be any difference between an individual and a corporation. As I understand the section, it operates in this way. Assume that in 1949, when the act was passed, an individual or corporation owning a ship wanted to claim depreciation; he or they would set aside over a period of some four or five years say $50,000. Let us take the first alternative. At the end of a five-year period a survey costs him only $40,000. He would then have to put back into his profit and loss account the sum of $10,000. Likewise, under the second alternative, if the ship were lost or destroyed, he would have to put back the full amount.

Mr. Gibson: In the one year?

Mr. Chevrier: At the end of the four or five-year period, or during the year the ship was lost or destroyed.

Mr. Gibson: It would be income for that year, and as an individual taxpayer his rate would naturally be up. If his profits were increased by $40,000 in that one year he would be in a higher bracket.

Mr. Chevrier: The $40,000 would not be put aside in one year, it would be put aside over the four or five-year period at the rate of say $10,000 a year.

Mr. Gibson: That is the whole point. If he lost the ship after four years his income as an individual in that year would be up $40,000 and his bracket would be much higher.

Mr. Chevrier: The act provides for the recapture of that amount in the year in which the ship was lost or in which the survey was completed. I think the answer to my hon. friend's question is yes.

Mr. Gibson: Does the minister think that the individual taxpayer is still protected and is treated equitably as compared to the corporation taxpayer? It does not appear to me that that is so.

Mr. Chevrier: I cannot say any more than that. This is an income tax matter which has been given careful consideration by the income tax officials. I take it that their object was to get from the taxpayer the amount that he had been exempted during that period of four or five years. It is true that in the interval the tax may have increased and to that extent there might be some difficulty. I do not know whether that is what my hon. friend has in mind.

Mr. Gibson: Assume that an individual taxpayer had a gross profit of $20,000 in one year and he set aside $10,000. He would only pay income tax on the $10,000. But then at the end of four years he has this additional $40,000 added to his income for that year.

Mr. Chevrier: He would not pay income tax on the $10,000.

Mr. Gibson: He makes $20,000 gross profit. He pays income tax on $10,000, which is his normal income, and he sets $10,000 aside. But then he loses his ship. Supposing in that year he made his normal $20,000 gross profit. His income tax for that year would be computed on the basis of $60,000. That appears to me unfair when compared to the treatment given the incorporated company which would pay only 52 per cent on its profits for the year.

Mr. Chevrier: It would depend upon whether the quadrennial or other special survey was completed. If it was completed and he had set aside $50,000 and had disbursed only $40,000, it is natural that he should pay income tax on the $10,000 for which he had got exemption over the period of ten years.

Mr. Gibson: He gets exemption over the five years, but it becomes taxable in one year.

Mr. Chevrier: I understand the point my hon. friend is making. I doubt if the amendment covers that point.

[Mr. Chevrier.]

Mr. Gibson: I know the minister wants to be fair, and perhaps he would discuss this with the Department of Finance.

Mr. Green: Was it not the original intention when section 7 was written into the act that the money set aside for these surveys should not be taxed?

Mr. Chevrier: The intention was to encourage construction. There was to be this exemption for quadrennial surveys and classification surveys. As is set out in the amendment, it often happens that a ship is lost or destroyed and that section did not apply. Therefore there was no reason why there should not be a tax on that money. The point is that section 7 as it will apply would cover these exceptional cases. This is not the general rule, but once these sums have been set aside and a ship is lost or destroyed or a survey is completed, then taxation applies. I do not know what the proportion is, but I think in the vast majority of cases the amendment would not come into operation. The amendment is devised to cover these exceptional cases.

Mr. Green: Then the minister says that where the money has been spent on a survey it should not be taxed.

Mr. Chevrier: That is correct. Where money has been spent on a survey, that should not be taxable. That is covered by the first part of section 1.

Mr. Green: As I read that provision the money is actually made taxable.

Mr. Chevrier: It is not made taxable; it is recaptured. There is a distinction between the two.

Mr. Green: It is put in the position where it is taxable. The minister has just said that the intention was that money actually spent on a survey would not be taxable. My understanding of the original act was that shipowners were allowed to set aside a reserve for this purpose which would not be taxable.

Mr. Chevrier: That is my understanding.

Mr. Green: As I read this amendment, the whole of that amount is made taxable. It reads:

(2) In any case where

(a) a taxpayer has under subsection one made a deduction in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel, and—

That is the setting aside of a reserve for the purpose of a survey.

(b) the quadrennial or other special survey in respect of which the deduction was made has been completed to the extent that the vessel is permitted to proceed on a voyage,

in otner words, that paragraph covers the case where a survey has been completed. Then the amendment goes on:

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the taxpayer's income under part I of the Income Tax Act—

That surely describes the money that is in reserve.

—shall be included in computing his income under part I of the Income Tax Act for the taxation year in which the survey was so completed.

So that the net result is that, instead of a man who is having a ship built paying his income tax on the $10,000 he put in reserve in 1948, and then paying on $5,000 that he put in reserve in 1949, all this amendment does is to take the whole of the money set in reserve and tax it all in 1952. The minister has said that the intention of section 7 originally was that this money spent on surveys would not be taxable at all—and that was my understanding too. I believe that was the purpose: in effect, to allow this money put aside for surveys as operating expenses of a shipping company. Now, I believe, and it appears to me, that the Department of National Revenue has come along with this amendment in order to make those sums taxable. It appears to be directly opposite to the original intention of the act.

A person cannot make the same argument where the ship has been lost and the survey has not actually been carried out. In that case the money which is put in reserve is not going to be used for a survey and I think it is quite properly taxable; but the main point, it seems to me, is whether these moneys used for surveys are to be taxable or whether they are not. If they are to be taxable then certainly that is what this amendment achieves. It makes them taxable. If they are not to be taxable the section is wrong and subsection 2 which it proposes to add to section 7 should be deleted.

Mr. Chevrier: Well, Mr. Chairman, the bill is very simple and I am afraid there is an attempt by my hon. friend to complicate it.

Mr. Green: Mr. Chairman, I think I have had enough abuse here today and I object to that. I am not attempting to complicate it at all.

Mr. Chevrier: My hon. friend may object if he likes but I am telling him that he is trying to complicate a simple matter.

Mr. Green: You should understand it—and that is the trouble. I have the floor and the minister has no right to make a statement of that kind. I am trying to make suggestions for the improvement of this measure. The minister seems to be very, very touchy about anyone making suggestions.

The Chairman: If the hon. member wishes to object to the remarks made by the minister he may rise on a question of privilege. If he did, the words used by the minister are not offensive to the point where I should ask the minister to withdraw or apologize.

Mr. Green: No, they are just ridiculous.

The Chairman: If he in turn says that the minister is touchy this afternoon, the minister may perhaps feel that his feelings are hurt and there will be no end to this. Perhaps the minister should give his explanation.

Mr. Chevrier: If the hon. member feels that he has been offended by the words I have used I am happy to withdraw them.

Mr. Green: Oh, no, I do not.

Mr. Chevrier: I do not put on this section the interpretation that my hon. friend puts on it and I hope that he will not misunderstand me when I say that I think he is trying to read into this section something that is really not there.

Section 7 of the Canadian Vessel Construction Assistance Act was devised to assist those shipbuilders who intended to be making quadrennial surveys or classification surveys; and it was there set out that they should get an exemption from taxation of the sums of money they would have to set aside over a period of years for the purpose of making those surveys. I understand those surveys cannot be made immediately but that it takes some time. The shipowner or the corporation owning the ship must be able to put some of those moneys aside in order to be ready for the survey when it takes place.

It has happened in the experience of the Department of National Revenue that two things occur. First is that the ship is lost or destroyed or, for some other reason, the survey did not take place at all. That being the case, it is only fair it seems to me that those moneys which were exempted from taxation should be put back into the profit and loss account of the taxpayer.

Mr. Green: I said that.

Mr. Gauthier (Portneuf): But not that way.

Mr. Chevrier: Surely that is simple.

The next point relates to the first part where the survey has been completed and the corporation or shipbuilder has paid for it a lesser amount than has been put aside as reserve. Surely the difference between the two, whether it is $5,000, $10,000 or $20,000, should also be plowed back, recaptured and

put into the profit and loss account so that taxation may be claimed on it.

Now, that is the intention of the section and that is what the Department of Justice advises me it means. That is what the legal officers of the Department of Transport say it means, and I have no alternative but to say that is what it is intended to mean. If my hon. friend can read something else in it I am sorry, but I disagree with him because that is all it is meant to do. It is not meant to assist the shipbuilding industry and neither is it meant to hurt it. All it intends to do is to recapture those amounts not used for the survey on which income tax has not yet been paid.

Mr. Green: I agree with the minister that where there is money left over it should be taxable. There is no question of that; but to achieve that result I suggest that there should be written into this section something to the effect, "which had not been spent on such survey", because the way the section reads now it says:

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the taxpayer's income under part I of the Income Tax Act—

Now that takes in all of the reserves whether they have been spent or whether they have not been spent. It is not restricted to the surplus over and above what has been spent on the survey. By saying: "the aggregate amount of the deductions in respect of the vessel that have not been previously included in computing the taxpayer's income under part I of the Income Tax Act . . . and have not been spent on such surveys", or words to that effect, then you would achieve the objective the minister has in mind. I believe there is an error in the wording of the clause.

Mr. Chevrier: May I submit to my hon. friend that this amendment must be read in conjunction with section 7, which in turn must be read in conjunction with the Income Tax Act. Section 7 begins:

Notwithstanding paragraph (e) of subsection one of section twelve of the Income Tax Act a taxpayer may—

. . . claim as an exemption . . . And now there is added this amendment; and I take it that the Department of Justice together with our officials have so drafted this act that it will read as an integral part of the Income Tax Act. For that reason I do not see the need to include the words which my hon. friend refers to; because if they were included it might put a different meaning on the act.

That is the answer which I think I should make to my hon. friend now.

[Mr. Chevrier.]

Mr. Green: There is no provision at all in here explaining about a surplus over and above what has been spent for a survey. There is no provision in subsection 2 to meet a situation of that kind. It merely deals with everything that has been set aside as a reserve. I would suggest that the minister have that point checked by his law officers just to be sure, because I am afraid of it. After all, these statutes are written in English and French and certainly, in this English version, there is nothing to show that the moneys that have been spent for the survey are not to be taxable. I think there has been an error made in the drafting.

Mr. Chevrier: I should tell my hon. friend that not only have counsel for the Department of National Revenue looked at this but counsel in the Department of Transport have, and as my hon. friend knows, the legislative committee in the Department of Justice have looked at it and have given it very careful consideration. I should not like to deal with this kind of statute which has to do with income tax. If it were any other matter, I would have no objection. This is a matter that has to do with national revenue, and for that reason I hope it will be possible for the house and my hon. friend to accept it as it is.

Mr. Knowles: I hope I can say without offence that perhaps the two sea lawyers might let some of the rest of us get into this debate. I do not say that in any derogatory sense, but I thought the remark fitted in view of this discussion. The more this discussion goes on the more the question comes to my mind that I was asking myself when the discussion first started. Why is this legislation being introduced by the Minister of Transport at all? Why is it not income tax legislation and in the Income Tax Act? One of the difficulties the minister gets into, in trying to answer the questions of the hon. member for Comox-Alberni and the hon. member for Vancouver-Quadra, is that it is a matter that comes under national revenue or finance.

I recall that not many years ago an attempt was made to bring the income tax legislation up to date, and put it into consolidated form, so that one could find all the references to income tax in one piece of legislation. Now, we discover that outside of the Income Tax Act is this legislation which deals with an income tax matter. I suppose the minister will say that the lawyers in the Department of Finance, the Department of National Revenue and the Department of Transport have all approved, and therefore we are supposed to approve too. It does seem to me that the idea of rationalizing our legislation has been lost, and here we

have an income tax matter that should be not under the Minister of Transport at all but in the Income Tax Act itself.

Mr. Green: I would suggest to the minister, Mr. Chairman, that he have this section rechecked by the Department of National Revenue and by his own officials. He has explained that the intention is that these reserves should not be taxed if they are spent for surveys. With all respect to the minister, I am afraid that the way this section is worded the whole thing is taxed, including what has been spent for surveys. There is not such a rush about the bill that it could not be reconsidered by the department with that objection in mind. I would ask that that be done.

Mr. Chevrier: I can see no reason for rechecking the bill, because I gave my assurance to the house that I have gone over it carefully, and that three groups of lawyers have gone over this bill very carefully. They have given it special attention, and I am positive that it means exactly what it says. I cannot read into it the interpretation which my hon. friend reads into it. After all, if the amendment is read in conjunction with section 7 of this act, which in turn is read in conjunction with the relevant sections of the Income Tax Act, there could only be one conclusion, and that is that the aggregate amount of the deductions in respect of the vessels that have not previously been included—that would be, I take it, the difference between those that were exempted and those that are not now exempted. It seems to me that the addition of the words "and had not been spent" would add little or nothing. I am not objecting to the words being put in there, as they simply clarify the intention, but this bill has been given such careful consideration by these three groups that I hesitate to consent to the suggestion.

Mr. Green: In the final analysis it is the responsibility of the house. We cannot simply say that the legal officials in the department have drawn it up this way, and therefore it must be right. There is certainly nothing in that line the minister has quoted to show that the deductions are restricted to what was spent on the survey.

Section agreed to.

Sections 2 and 3 agreed to.

Title agreed to.

Bill reported.

68108—106½

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF AUDITORS FOR NATIONAL RAILWAYS

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 40, respecting the appointment of auditors for national railways.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Transport): I think all members will now be familiar with this bill because it comes before the house annually by reason of the fact that, by statute, the auditors of the Canadian National Railways must be appointed annually by parliament. The bill is in the same form as we are accustomed to, except for the additional clause this year with reference to the revised statutes which are under compilation at the moment.

I might say that the bill also proposes to appoint the same firm of auditors that have been doing the auditing of Canadian National Railways for almost thirty years, with the exception of one year.

Mr. Green: It is exactly the same bill as we have had each year for many years?

Mr. Benidickson: Yes.

Mr. Stanley Knowles (Winnipeg North Centre): As the parliamentary assistant to the Minister of Transport has just said, we are familiar with this bill because it is similar to the one that the government has been introducing every year for quite a long time. The parliamentary assistant indicated that the necessity for an annual bill of this nature is to be found in the statutes. The point I wish to raise may not seem to be of great consequence, but since reference has been made to what is in the statutes I ask why we do not follow precisely the procedure set out in the statute?

I find in section 13 of the Canadian National-Canadian Pacific Act, as contained in the statutes of 1936, this wording:

> A continuous audit of the accounts of national railways shall be made by independent auditors appointed annually by a joint resolution of the Senate and House of Commons and annually reporting to parliament in respect of their audit. Their annual report shall call attention to any matters which in their opinion require consideration or remedial action. They shall be paid by the national company such amounts as the governor in council shall from time to time approve.

Now, the question as to procedure I think is obvious. This section says that this annual appointment is to be made by a joint resolution of the Senate and House of Commons. I should like to know why it is being done by a bill. The parliamentary assistant may say that the effect is the same, but what is

the point, after a precise course has been laid out for us in the statute, in not following it? I hope that the parliamentary assistant at some point—perhaps when we get into committee—can tell us why it is that we do not do what the statute says we should do, namely deal with this matter by means of a joint resolution of the two houses of parliament.

Another question that I should like to raise with the parliamentary assistant is one that is as familiar to him as is this bill to us. I refer to the question whether any further consideration has been given to having this audit of the affairs of the Canadian National Railways performed by the Auditor General. It seems to me that no satisfactory answer has yet been given by the government to the case that has been made repeatedly for this work to be done by the Auditor General. As I have said on previous occasions, I feel that the most effective case that was ever made for such a course was made in the House of Commons some years ago by the hon. member who is now the Minister of Fisheries (Mr. Sinclair). I had thought that once he got into the cabinet, where his voice would be a little bit more effective than it was as a private member, he would have something to say about this point concerning which he spoke so strongly in the house when he was just a private member.

Since we have an Auditor General appointed by this parliament to survey the financial activities of the government and of a number of the agencies of the government, it seems to me that we would be well advised to appoint the Auditor General to do this work that we are required to see is done by virtue of the statute to which I have just referred.

There are one or two questions I wish to ask but perhaps they can wait until we get into committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson in the chair.

On section 1—*Auditors.*

Mr. Benidickson: Mr. Chairman, the hon. member for Winnipeg North Centre raises the point as to the reason for not following the procedure that is referred to in section 13 of the Canadian National-Canadian Pacific Act of 1933, as enacted by section 3 of chapter 25, 1936. The bill states that "notwithstanding the provisions of section 13 of the Canadian National-Canadian Pacific Act, 1933", it is proposed to make the appointment by a bill in parliament. The reason for that course has been explained on several occasions in the past. As I say, this bill comes to us every year. The reason is simply that a number of years ago that method was found to be too cumbersome. This achieves the same purpose. We have used this practice for a great number of years. As I told the hon. member for Vancouver-Quadra, the bill this year is in form identical with that of other years, with the exception of the reference to the revised statutes.

Mr. Knowles: Before the hon. member leaves that point—and I presume he was leaving it—may I ask him to explain his statement that the other method is more cumbersome. Surely a joint resolution is actually simpler than a bill. The hon. member understands that I fully realize that the final result is the same and that it is only a point of procedure that I raise. However, I should be interested in his comment on the question.

Mr. Benidickson: I think the advice of the legal officers was that making a joint resolution required an approach to the sovereign in a different manner than the one required in this form; and in consequence this procedure was felt to be a much simpler and a more natural one.

Mr. Knowles: Mr. Chairman, I will not pursue the matter further. Since this is such a simple bill perhaps the parliamentary assistant might consent not to ask for third reading today; and if he can get a more detailed explanation, we can have it later.

Mr. Benidickson: As to the other point raised by the hon. member for Winnipeg North Centre, may I say that we are, of course, as familiar with his suggestion as is the committee familiar generally with this bill. Annually, for some years, he has been making the suggestion that the Auditor General should be appointed the auditor for the Canadian National Railways. After study, I think it was indicated in a previous debate that it was considered that the Auditor General was probably eligible for an appointment as auditor; but it was also pointed out that one of the big advantages of having an audit made by the same firm, if satisfactory service has been rendered, is the fact that a continuous audit is being conducted.

The Canadian National Railways is an extremely intricate corporate organization. It is highly desirable that the auditor be familiar at all times with the rather complicated corporate relationships and subsidiaries of this large organization.

In past debates I think even the hon. member agreed that the expense of audit would not likely be less were the Auditor General

to be appointed. It is known to the committee that the interests of the Canadian National Railways are international and that portions of the audit must take place not only in the United States but in the United Kingdom and in France, as a result of the audit of Trans-Canada Air Lines. The particular firm which has been appointed by parliament in other years and is proposed now has international branches.

Another reason for appointing the same firm of auditors is that railway accounting is frequently subject to special legislative direction as, say, in the United States, as to the form of accounting that is done there. Hon. members know that even we in Canada have recently passed legislation under which the railways are directed to keep their accounts in a certain way. The present auditors are familiar with that legislation. In addition, there are complications as to the past bylaws of the board of directors of the Canadian National Railways which govern accounting procedure. There is a requirement for familiarity with past orders in council and other legislation that applies to the accounting requirements of the railways. En masse these various things are of sufficient consequence that it is felt that a considerable break in experience and familiarity would take place if a change in the audit was made.

It has been estimated that it would take any firm of auditors several years to make an adequate acquaintance with the accounting system of the railway, and those who are familiar with it are of course in a much better position to spot quickly anything that needs attention. In past debates the hon. member for Winnipeg North Centre has pointed out that the Auditor General makes references to certain things in his report to parliament. I want to point out to hon. members that it is parliament that is appointing the auditors in this case. They do so annually, and under the statute the auditor is obligated to report to parliament. A senior representative of the auditors of the Canadian National Railways, and it includes the Trans-Canada Air Lines, as hon. members know, comes to parliament annually and subjects himself on behalf of the firm to examination by the members of the railways and shipping committee.

In addition to that, under the section, he is obligated, just as is the Auditor General, to point out to parliament, through this committee, anything that he thinks requires attention. And certainly, the years that I have been familiar with these reports and through my attendance at the railways and shipping committee, I cannot recall that any members of the committee ever suggested that there was any inadequacy in this method of appearances before a parliamentary committee and the reports that we got from the auditor when he comes to our committee.

Mr. Knowles: May I ask the parliamentary assistant one other question? As he knows, we have learned within the past few weeks that in the case of the work of certain other auditors, the persons doing the investigating or auditing showed their work or their preliminary reports to the people being investigated. I refer to the firm of auditors in Montreal that made a report for the Minister of National Defence, but apparently showed that report to the department before it was made public. I refer also to the statement by the Prime Minister the other day on behalf of the Auditor General to the effect that he put draft copies of his recent report to parliament in circulation amongst the various departments last summer. It appears that has been a regular practice for some time, although I think it is fair to say that a number of us were amazed to learn that it has been going on. Can the parliamentary assistant say whether a similar practice is carried on in the relationship between George A. Touche and Company on the one hand and the Canadian National Railways on the other? I realize that one difference in the situation, as the parliamentary assistant pointed out, is that the Auditor General makes a report to parliament, and that report does include fifty or sixty paragraphs of comments on things that he has discovered in the course of his investigation. On the other hand, the report of George A. Touche and Company to parliament on the operation of the Canadian National Railways is usually just a certificate that he has seen everything he wanted to and found everything in order. There are no paragraphs in that report comparable to the paragraphs of comment that the Auditor General makes. As I say, that does make for one difference, but I should like to know whether the relationship between the firm of auditors and the Canadian National Railways is similar to this other relationship which has been revealed, namely, that the auditor seems to work along with the people he is investigating, and lets them know what his findings are before reporting to parliament.

Mr. Benidickson: Mr. Chairman, as has been explained in other years, the audit that is referred to in this appointment is a continuous audit. It is not in the nature of a complete check of every transaction of the Canadian National Railways; it is more in the nature of test checking; and certainly it has been reported in the past that one of the functions is to work in close collaboration

with the accounting departments of the Canadian National Railways in order to determine from time to time as to the adequacy of the internal audit control. Obviously just as soon as anything was found that was considered open to criticism in that continuous audit it would be pointed out immediately to the accounting section and to the chiefs of the accounting section who are of course responsible to see that there is a control over all the property, assets and revenue of the Canadian National Railways.

Whether or not the nature of that collaboration is similar to that mentioned by the hon. member is, I think, a proper question to be asked when the auditor himself appears before the committee on railways and shipping. Certainly nothing in the nature of subsidiary reports, beyond those which we get in parliament, is submitted to the Department of Transport.

Mr. Follwell: The parliamentary assistant to the Minister of Transport has pointed out the advisability of having continuity in regard to the auditors who may be hired to do the auditing of the Canadian National Railways. He has pointed out that that is advisable on account of the difference in set-up in Canada and the United States and of the international arrangements that may exist with respect to large corporations such as the Canadian National Railways. Can the parliamentary assistant inform the committee and perhaps me especially whether there is any reason why this matter has to come before parliament each year? Why could it not be set up on the basis of a five-year period or some such period as that?

Mr. Benidickson: Well, it could, Mr. Chairman. I think this is just indicative of a desire to give parliament the closest possible control over the audit of as large a publicly-owned corporation as the Canadian National Railways. It simply just emphasizes the interest that parliament has in an organization of this kind. It assures the annual attendance of the auditor before the committee, and so forth. It also makes it very simple to make a change, if there are good reasons for making a change, despite the very numerous reasons for continuity that I have outlined.

Section agreed to.

On section 2—*Auditors.*

Mr. Knowles: Before this section carries may I ask the parliamentary assistant whether he can tell us why there is no clause 3 in this bill. That may not seem to be immediately relevant to clause 2, but the point I make is this. In all of these other bills, such as the one we had just a moment ago, where there is a second clause that has the same effect as the first clause, reading—

> This section shall come into force on the day that the revised statutes of Canada, 1952, come into force.

—and so on—there is also a third clause providing that when clause 2 comes into effect clause 1 is repealed. Now, in regard to this bill we do not have a clause 3, as we have had in all of these other bills which amend the revised statutes of Canada for 1952 it the same time as they amend the existing legislation. Can the parliamentary assistant explain the absence of a clause 3 from this bill?

Mr. Benidickson: No. I can simply make the explanation that was given on the bill that we have just dealt with and it is that these bills are very carefully examined by the law officers of not only our department but the Department of Justice and the House of Commons. And so far as the requirements in that respect are concerned, I must confess that I do not yet attempt to be specially critical of the style of bills that come to us for sponsorship. We are responsible for the policy therein and so on, but I am loath to quarrel with the law officers who deal with the drafting before they come into our hands for presentation to the house.

Mr. Knowles: Perhaps the parliamentary assistant might obtain the explanation for the absence of a section 3 in this bill, and give it when third reading is called.

Section agreed to.

Bill reported.

The Acting Speaker (Mr. Robinson): When shall the bill be read the third time?

Mr. Knowles: Next sitting.

WATER RESOURCES

ASSISTANCE TO PROVINCES FOR CONSERVATION PURPOSES

The house resumed, from Friday, January 30, consideration of the motion of Mr. Winters that the house go into committee to consider the following resolution:

> That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure, such grants not to exceed thirty-seven and one-half per cent of the projects and to be paid out of moneys appropriated by parliament for the above-mentioned purposes; and to provide that all officers, clerks and employees required for carrying out the provisions of the measure shall be appointed in accordance with the provisions of the Civil Service Act.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I make no apology for taking the time of the house to make a few comments on this resolution. I listened to the Lilliputian statement by the minister, on the introduction of the resolution, and after listening to it and later reading it I am not quite sure of the complete purpose or scope of the measure.

So far as I could judge, the government still believes in a piecemeal approach to the problem of water conservation, to such an extent that it has indicated by this measure and by the minister's remarks that the conservation and development of water resources is to be the responsibility of two separate departments of government.

Furthermore the group to which I belong is disappointed to see that this resolution is not part of a national policy dealing with the conservation of soil, forest and water resources, brought about as a result of a dominion-provincial conference and through dominion-provincial co-operation. We are not alone in this respect. Many other voices in Canada have been raised suggesting the need for an over-all national policy, and expressing some disappointment with the government's present piecemeal approach to this most important question.

In support of the argument I am making I should like to read a portion of an editorial appearing in the *Country Guide* for November of 1952. I have said before in the house that the editor of this paper is well qualified to speak and to write about this most important question. He says this:

> It is, therefore, of particular interest to Canadian agriculture that a delegation of provincial ministers of agriculture met the federal minister of agriculture not long ago, to request that the principles underlying the work of P.F.R.A. be applied across Canada. The delegation is also reported to have voiced grave concern over the fact that provincial governments tend to attach far less importance to the diversion and use of the waters of rivers and streams for agricultural purposes, than to the protection of cities and towns from the danger of flooding.
>
> The truth seems to be that in most Canadian provinces the problem of adequate soil and water conservation is too serious to be solved entirely by the provinces. We urgently need a national soil and water conservation policy. Since 1935 an excellent beginning has been made within the Palliser triangle, the area to which the Prairie Farm Rehabilitation administration has been restricted. The value of the work already done is beyond calculation, but what Canada really needs is a general purpose, rather than a special purpose, policy and program.

We in this group heartily support the ideas expressed in that editorial. I would point out that it emphasizes two things in particular, the first of which is the need for an over-all national policy for soil, water and forest conservation and, secondly, the necessity for extending the principles of P.F.R.A. to all provinces in Canada.

I trust that even this resolution may be a step in that direction on the part of the government. I must say that those of us in this group are glad of this evidence of growing government recognition of this most serious and important problem. The introduction of this resolution without doubt does provide a basis for some measure of co-operation between and assistance to the provinces.

I listened with keen interest to what has been said by previous speakers in the debate, particularly to the hon. member for Assiniboia (Mr. Argue), who is well acquainted with prairie problems, the hon. member for Lethbridge (Mr. Blackmore), who frequently in the house has shown his concern over water conservation as applied to the Palliser triangle, and particularly to the hon. member for York West (Mr. Adamson).

I might say that while I do not agree with the hon. member for York West when he deals with the symbols of wealth—when he deals with gold—I listen with great enjoyment to his pedestrian eloquence when he speaks upon such subjects as the conservation of our natural resources and deals, shall I say, with problems concerning the conservation of real wealth.

I listened carefully to his speech and read it afterwards and in my view he made a definite contribution to the debate and to our knowledge on this subject. The facts he gave the house are worth rereading and careful study.

The policy of the C.C.F. is based upon the principles of co-operation and conservation. Year after year, session after session and speech after speech we have indicated our support for a policy which would deal with the conservation of human and natural resources. To succeed in that kind of policy there is an urgent necessity for planning.

I would draw to the minister's attention the fact that even in the introduction of this resolution the government is giving effect, perhaps in a limited degree, to policies which have been advocated by this group through the years both in the house and throughout the country. The resolution presents an opportunity for some logical development and planning as a result of dominion-provincial co-operation.

I represent a constituency which abounds in lakes, rivers and streams, a constituency with immense water resources. But even with all those resources the people I represent are very much concerned with certain problems related to the conservation and development of those water resources. They

are very concerned about flood control. They are very concerned at the present time about the shortage of water for power. I know that power does not come under this measure and I assure the minister that I will not get out of order. I shall leave the South Saskatchewan river dam entirely alone and I trust my remarks will be strictly in order.

They are concerned about the shortage of water suffered on occasion by certain cities, towns and small communities. They are very concerned about the erosion of the banks of various rivers by waters when in flood. They are concerned about these problems and these problems will continue to exist so long as governments fail to accept their responsibility by co-operating and planning to solve them in the very near future.

At this point I cannot resist taking advantage of the opportunity to bring to the attention of the house the fact that uncontrolled free enterprise must bear a large share of the responsibility for our defaced forests, our vanishing wildlife, our roaring floods, our dried-out ranges and the many gullied parts of this country. Uncontrolled free enterprise has carried on in Canada up to date without biophysical understanding or social responsibility. I think that is a fair statement to make of the conditions that exist at this time in this country.

Uncontrolled and greedy free enterprise has not only produced the physical conditions that exist, but in my opinion it has created a waster psychology that would have appalled our frugal forebears and which is regarded as lunacy by people in other lands who have given serious consideration to this problem for many years. When I say "waster psychology" I mean it because I think many of us in this country are most wasteful. We waste our power; we waste our water; we waste our soil; we waste our forests; we waste our tin cans; we waste our waste paper; we waste our rubber and we waste many other things.

An hon. Member: Horses.

Mr. Herridge: Because we have no over-all policy governing the conservation of natural resources, a policy which realizes that the natural resources of this country will be depleted in time, we have that result. If we spent as much time advertising the value of conservation as we spend in advertising the dangers of B.O. the Canadian people would become conscious of the seriousness of this question.

Free enterprise and industrial society has produced a state of mind on the part of many people who live in the larger centres that simply fails to appreciate the basic facts of our existence. At this point I should like to quote from an interesting article by Christopher Morley in "Streamlines" as follows:

> We hear about the agricultural problem of soil erosion; hillsides denuded of fertile topsoil . . . or great regions of middle western richness scoured off by dust storms. Surely not less serious is the matter of mind erosion; the dust storms of daily excitement and of continual triviality can easily blow away the sensitive topsoil of the spirit. The result is a barren and shallow nervous credulity.

I quote that because I think it indicates the state of mind that prevents people having a full appreciation of the seriousness of certain basic problems such as this one which face the Canadian people at this time. In our opinion only action by governments can repair the damage which has been done to our natural resources during the last fifty years under uncontrolled free enterprise. Therefore, I repeat that we in this group are glad that the minister has introduced this resolution and we offer our support.

The hon. member for York West has said that water shortage is a North American problem. This growing shortage of water affects nearly every community. This shortage of water is occasioned by abnormal run-off, increased industrial use, unnecessary evaporation and lack of forest coverage. These things are increasingly affecting our stores of water from year to year and because of this situation the future of many communities in Canada is threatened.

Surface water has three channels of escape—surface drainage, seepage into the ground and evaporation. I shall not deal with these because I think the hon. member for York West covered that aspect of the matter when he spoke the other evening. But I do want to direct the attention of the house to another cause of increased and abnormal run-off to which possibly some people have not given consideration.

This is due to millions of roof tops, the increasing area of paved street and highways and airports and the tremendous urge today to cover the earth with concrete and asphalt. This has created a great problem in the areas surrounding large centres of population because of the abnormal run-off. Large amounts of water are permitted to escape unnecessarily which could be utilized under an over-all policy of conservation.

The hon. member for York West referred to the lowered water tables, losses through evaporation, increased use of water for industrial purposes and the pollution of our streams. Evidence of this can be found in Canada from the Atlantic to the Pacific. I

shall not take the time to deal with this in detail, but I should like to quote an authority which does indicate the seriousness of the situation. I should like to quote from "Water Conservation Notes" for September, 1952, by J. L. Van Camp, general manager, Canadian Forestry Association, as follows:

> Professors A. F. Coventry and J. R. Dymond, reporting on "Water, a National Treasure", in the book "Conservation and Nature Activities", give data on a survey which was made in King township in York county, Ontario in the mid 1930's. From that township they report that of the 200 miles of permanent streams which originally ran at all seasons of the year, this total has been reduced to less than 30 miles when the survey was made. At that time also, 17 per cent of the wells in the township went dry each summer.
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> A survey made in an adjacent area between Toronto and Dundas showed that 672 of all streams in an area of 13,000 square miles no longer flowed continuously. On some of them, now dry or reduced to a meagre flow in summer, the remains of mills and dams indicated that water was formerly available in sufficient quantity to provide power for grist and sawmills.
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> Further data showing the undesirable difference between peak flood and peak drought conditions is given for the west Humber river near Toronto. During a flood in March, 1942, when nearly an inch and a half of rain fell in 48 hours, the west Humber was carrying four thousand cubic feet a second past a given point. Almost half of the entire amount of water which fell was in lake Ontario within 12 hours. The water was opaque with sediment, and from one measurement it was shown that 2,700 tons of soil an hour was being carried into the lake.

I could go on at greater length but I think that that demonstrates the great need for an over-all consideration of this problem by federal, provincial and municipal governments.

Now, Mr. Speaker, in my opinion it is a complete fallacy that industrial civilization can continue to produce a permanently higher standard of living. None of the industrial nations have maintained high standards of living without access to adequate areas of productive land. As a matter of fact, European industry has been supported for years by food produced in America. In Canada industrial expansion is of recent date but even in that short period there is evidence that we are consuming and abusing our natural resources at an increasingly alarming rate.

At this point I would ask the minister a question and ask him to answer when he replies in closing this debate. I consider, as do the members of this group generally, that our snowfall in Canada is a billion dollar crop, and I have been interested in reading of some studies that have been made with respect to the conservation of snow. I do not know if this resolution will provide for further studies in that direction or whether it will provide for giving application to certain ideas for the conservation of snow. I understand that experiments have been carried on throughout the years in the United States, and I understand by one engineer in Ottawa, which indicate that you can conserve snow and save abnormal run-off.

Now, Mr. Speaker, there is a great loss of snow or water on the prairies through abnormal run-off occasioned by heat. The water, flowing over frozen surfaces, has not an opportunity to penetrate into the subsoil. Experiments have been conducted, I understand, with a view to creating an icy surface on the snow which will prevent excessive evaporation. Some experiments to date offer almost breath-taking possibilities. By spreading carbon particles on the snow in a mechanical way, either by ground vehicles or by helicopters, it is possible to produce an icy surface and tremendously reduce evaporation so that a much greater quantity of water coming from the snow goes into the soil. I would like the minister to tell the house when he speaks at the conclusion of this debate if anything has been done in that connection in his department.

I do not want to speak at too great length, Mr. Speaker, but before concluding I wish to say a few words about the administration of water conservation policies in Canada. The agricultural institute of Canada, I understand, made a submission to the government last year and at that time made reference to this legislation which was forecast in the speech from the throne. The brief presented by the agricultural institute of Canada contended that any conservation of water that affected the soil should be under the administration of the Department of Agriculture. I have read the brief very carefully, having been interested in this subject for years, and I think the point of view expressed by the agricultural institute of Canada is quite sound. I think that the administration of water resources should be in the hands of people who are close to the farmers, and close to the people who are going to use the water.

Furthermore, I find that the Canadian Federation of Agriculture supports the agricultural institute of Canada and I would like to quote briefly from a letter I received on December 12 from Mr. C. G. Groff, secretary-treasurer. This is what he had to say:

> In view of the fact that there is now a bill before the house with respect to water conservation, we discussed the matter at our executive meeting just after the conference a week ago. Our attitude is that all conservation matters, having as their ultimate objective the conservation of the soil from which the food of the people is produced, should be carried out and administered

under the Department of Agriculture, in co-operation with the various provincial departments of agriculture. We had before us a resolution passed by the agricultural institute of Canada and our executive endorsed this resolution.

There you have the scientific body concerned with agriculture expressing an opinion and you have the organization representing the farmers themselves supporting that opinion. I find further evidence to support that opinion in the country and I wish to quote from an editorial appearing in the November issue of the *Country Guide* entitled "Sensible Conservation Policy". This is what the editorial has to say:

The ministers might well have gone much further in their representations. They could well have urged that in any national or provincial program involving soil and water conservation and development, the responsibility for administration should rest in departments of agriculture, both provincial and federal. We already have too many examples of divided responsibility within provincial governments, including the governments of Manitoba and Alberta, which have led to inefficiency and lack of progress. If we are not to lose valuable time, and money which we cannot afford to squander, it is imperative that all senior governments in this country agree on one important administrative principle. The principle is that whenever conservation policies are applied, either to land or water for the benefit of agriculture, such policies and programs should be planned, administered and developed, by those who are trained and employed to serve agriculture. Too many millions of dollars have been lost, in this and other countries, for us to entrust these primary responsibilities to engineers, indispensable as they are. Similarly, central administrative officers, in departments other than agriculture, are too far away from the soil and its needs, and from the farmer and his problems, to fully realize that these are the really basic factors involved.

The experienced agricultural administrator, agronomist, soil scientist, agricultural economist, and agricultural engineer, as well as the non-agricultural engineer, are each essential to a well-planned and effectively developed program. Surely, simple logic demands that the men and departments designated to carry the heaviest responsibility for the execution of any policy involving agricultural land, or water for such land, should be those specializing in agricultural matters.

Mr. Speaker, I most wholeheartedly support those contentions and those representations. In my opinion, if this legislation is to be effective it must be accompanied by co-operative research and it is imperative that research be extended from the natural sciences to the social sciences; for, if a conservation program of any type is to succeed, they are inseparable. Again, quite as necessary as research is education. To cope with research problems on a national basis we require the education of tens of thousands of Canadians and tens of thousands of Canadian children. However, in my opinion, research and education are futile unless they result in an action program that sinks well within the grass roots of our democracy, and with this program should be associated a program to stop waste of all types in Canada in every field of human activity. If it is to be successful, Mr. Speaker, implementation of this resolution requires that there be co-operative action between Canadians and all levels of government.

We certainly have got to plan if we are going to conserve our great water resources in Canada —by good forest management, grass cover, check dams, and other methods to prevent excess run-off, loss of water and flood damage. Our economy is dependent on water to furnish cheap transportation, heat, power, light, agriculture, forestry, water for our homes, for health and for recreation. There is no question but that it is the duty of this parliament to see that ample and good supplies of water are provided in Canada for this generation and generations to come.

In conclusion I wish to say that we in this group support the principle and the purpose of this measure and will do our best to co-operate with the government in giving it satisfactory effect.

Mr. J. A. Charlton (Brant-Wentworth): It is not my intention to take much time of the house this afternoon but I do wish to take a short while to commend the government for bringing forth this resolution to assist in the conservation of water resources. When the minister spoke first on this measure, he mentioned the Shand dam on the Grand river, which happens to be just north of the riding which I represent. He also mentioned construction of the Luther marsh dam, which is also in the Grand river conservation project. I am very glad that he announced a decision had been made by this government to assist in the construction of the Glen Allan dam on the Conestogo river. I want to commend him for it. The Shand dam was started in 1939, and between 1939 and 1950 there was very little done in the way of helping to control the floods in this area. Having lived beside the Grand river, I am alive to the dangers of the Grand river when it is in flood. The Shand dam was not sufficient to control the flood waters of the Grand, and hence the Luther marsh dam was built. It is now found that that is not sufficient and the Conestogo or Glen Allan dam is being built.

Now, Mr. Speaker, I think we should first try to decide the difference between flood control and water conservation. Dams will control flooding, but more than dams are necessary for water conservation. It would seem that there is, then, a duplication of services here between the Department of

Resources and Development and the Department of Agriculture. We have now a number of expert engineers employed in the Department of Agriculture under the P.F.R.A. It seems to me that the services of these expert engineers could be used to help out on this flood control work.

Water conservation should be carried out under the Department of Agriculture. I see nothing in this resolution that would show there was anything actually to be done with regard to water conservation. I should like to quote from the resolution:

> That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure, such grants not to exceed thirty-seven and one-half per cent of the projects and to be paid out of moneys appropriated by parliament for the above-mentioned purposes; and to provide that all officers, clerks and employees required for carrying out the provisions of the measure shall be appointed in accordance with the provisions of the Civil Service Act.

There is no mention there, Mr. Speaker, of co-operation with the provinces in connection with water conservation. In his speech the minister referred to the bill as an authority providing a legislative basis for federal assistance for water conservation projects of a major character across Canada. It would appear, therefore, that the measure which this resolution precedes is a measure more for the control of floods than it is for water conservation. We had hoped it would include some manner of co-operation with provincial governments to go further than just the control of floods.

Mr. Winters: It does.

Mr. Charlton: I am glad to hear the minister say that. As I said before, there is nothing in the resolution that would lead one to believe that it does. As the minister said, it is related to major projects across Canada.

I have tried to practise conservation during the number of years I have been on the farm. Water conservation would call for small dams, probably one on each farm. Conservation of the soil means the cultivation of the soil in a manner to control wastage. It requires reforestation of some slopes to control run-off. The hon. member for Kootenay West (Mr. Herridge) just mentioned conserving the snow. Well, Mr. Speaker, I know of no better way of conserving snow than planting trees to hold the snow.

As I stated at the outset, I do not intend to take long at this stage. I do want to point out that we must differentiate between flood control and water conservation. I feel that the water conservation part could be handled under the Department of Agriculture, when we have experts now in the P.F.R.A. doing a good job in that line.

Mr. F. S. Follwell (Hastings South): I am sure that the members on all sides of the house, Mr. Speaker, join in supporting the minister in moving forward this resolution. As has been pointed out, the resolution is to authorize grants to assist in the conservation of water resources. I believe we all agree that is something that has been long overdue. In many of the provinces, particularly the province of Ontario, several surveys have been made on rivers. The Ganaraska survey has been completed, and steps have been taken to conserve the water and stop the rapid run-off. A survey of the Moira river in the county of Hastings, in my constituency, has been completed and the Moira valley authority has been set up. This authority has jurisdiction over a section of the Moira river that takes in 1,060 square miles of territory.

This Moira valley conservation authority has been very active. Under their jurisdiction a $40,000 dam has been completed at Deloro for the purpose of holding back an amount of water for conservation, and also to stop flooding. I believe the hon. member who just spoke, if he reflected for a moment, would agree that the purpose of a dam is twofold. First, it is for conservation, and second, for flood control. I believe these two purposes go hand in hand. The Moira valley conservation authority has encouraged the construction of what may be termed farm ponds. These have been found quite advantageous, and though a pond may sound like a small body of water, a number of them spread through the length and breadth of a township or a county would account for many millions of gallons of water. The Moira valley authority has issued a circular containing instructions on farm ponds, the method of building them and the vital necessity for them.

Now, as I say, I am sure all members join in supporting this resolution, because without a doubt water is the greatest asset that we have in this bountiful dominion of ours. Water is so common that we sometimes forget the value of it. It is extremely cheap. Actually it is cheaper than dirt. You can purchase water which you obtain by turning on a tap in your residence, for as little as a nickel a ton, sometimes. Those hon. members who have found it necessary to buy soil, particularly topsoil, know that you have to pay up to $10 for dirt.

It is only when we have a shortage that we who seem to have an abundance consider the necessity for preserving and conserving water. It will be recalled that, a year or so ago, New York had a water shortage; and there they went to the extreme of asking the male citizens of the great city of New York to shave only once a day or to forget shaving one day in the week in order to try to conserve water.

Water is continuing to be more and more in demand for the purpose of producing electrical energy. I think the minister has in mind the necessity for the preservation of this great asset of ours, particularly for electrical purposes, when he brings forward this resolution. As has been pointed out, we do not yet know just what is in the bill; but I am sure that what is there will be of great benefit to Canada, as is all the legislation that the minister of this particular department brings to parliament.

By drying up marshes and lakes we have destroyed the homes and breeding grounds of useful waterfowl and fur bearers. Being charged with the responsibility of protecting our resources including fur-bearing animals, I am sure that the minister has this point in mind also when he brings forward this bill for the conservation of water.

It seems that one of the reasons why our water is not benefiting the land in the way it should is that, over the years, we have seen fit to harvest the crop of forest products without any concern as to holding back the water or as to the way in which trees act to conserve in the land the water that should be there. Consequently we have a rapid run-off; and this rapid run-off takes with it the valuable two inches of topsoil and deposits it in the rivers and in the lakes.

We in Canada are well endowed with water resources. We have the great lakes and inland lakes. We have 228,307 square miles of fresh water within our boundaries. Lake Superior forms part of our southern border; it is the largest body of fresh water in the world. We know that we have great rivers; and of these, of course, we should take proper care. We have the Mackenzie, our longest river, which stretches for 2,514 miles from Great Slave lake to the Arctic ocean. We have the St. Lawrence river and the great lakes which provide a shipping waterway 2,338 miles in length from the strait of Belle Isle to the head of lake Superior. Our sea coast is one of the longest of any country in the world, with 14,820 miles of mainland sea frontage and 34,650 miles of island frontage.

One might think that this resource would be sufficient to minister to all our human needs. There is no doubt that it is and will be sufficient for the great population we hope to have here in a few years. But it will only be so if we take proper conservation measures such as those which I am sure the minister is going to propose in his bill.

I just rose, Mr. Speaker, for these few moments in order to commend the minister and to assure him that I believe he has the active support of all the members in the house.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. Earl Catherwood (Haldimand): I make no apologies for entering this debate at this time because this measure is one of extreme importance to us all. The time that is taken up to discuss the measure in the house will be well spent, and we shall get from it valuable information which will be of interest to us all.

When we heard the speech from the throne read by His Excellency the Governor General we were pleased to note that the government intended to bring before the house a measure to provide for conservation of water resources. We were doubly pleased when the minister introduced the resolution stating:

> That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources—

On January 30 the Minister of Resources and Development (Mr. Winters) moved that the house go into committee to discuss the terms of the resolution. We regret that we cannot expand the resolution to include soil conservation, because it is very important to our national life, and particularly as soil and forest conservation are so closely allied to and associated with water conservation in this country.

As the minister pointed out in his opening remarks, the federal government did participate with the province of Ontario in a project of this kind on the Grand river and the Shand dam which was mentioned by the hon. member for Brant-Wentworth (Mr. Charlton) this afternoon. In participating with the provinces on this project the federal government worked in close co-operation with the municipalities and this undertaking contributed a great deal toward lessening the danger of flood conditions that had been gradually developing to an increasing extent in that area year by year.

The government also received some valuable information from the experiments carried on there, information which will be of great value to them as this plan progresses. We were happy that this plan was broadened to include further drainage work on the Luther marsh project in the same drainage area, and now the dam on the Conestogo river, which is a tributary of the Grand. That is the third step that will assist materially in overcoming the menace that constantly threatens each spring the life and property of that very densely populated area of southern Ontario. That area is very valuable from an agricultural point of view as well. We in that section all realize the value that has come from this experiment that has been carried on as a co-operative effort in that section of Canada.

The importance of this resolution was brought forcibly to the attention of the house by the hon. member for York West (Mr. Adamson), who spoke in this debate on Friday evening last, as reported at page 1512 of *Hansard*. I should like to read a brief quotation from the hon. member's remarks. He said:

> For instance, the production of a ton of rolled steel requires the consumption of 110,000 gallons of water. The production of a ton of rayon yarn takes 250,000 to 400,000 gallons of water; a barrel of aviation gasoline takes from 1,050 gallons of water, if made from the natural product, to as much as 15,000 gallons of water if made synthetically.

Further on he says:

> Our North American cities use approximately between 150 gallons and 160 gallons per capita per day.

The hon. member for York West is an engineer, and we all know that he is looking at it from the practical point of view. We would all derive great benefit from reading the entire speech that he made at that time.

I feel that this bill is a step in the right direction. I hope it is the beginning of a much wider policy that will embrace soil and forest conservation as well. There is increasing evidence of late that the provinces of this country are beginning to recognize the need for a greatly enlarged conservation project on a national basis. In this regard I was very glad to hear the minister say that it must be undertaken primarily through the provinces with the federal government working in the role of co-ordinating agency with the provinces in their assistance by contributions from the federal treasury. This effort calls for close co-operation and sound planning between the provinces and the Department of Resources and Development. The general and over-all picture from the federal point of view must be closely harmonized with the immediate needs of the various provinces. In this manner we can possibly work out a system by which we can carefully guard those resources which we must pass on to those who are yet unborn, and who in their turn we trust will be true guardians of these great assets that we possess.

Following the first world war there was an attempt made by government agencies to adopt practices similar to what we are discussing today. However, their recommendations were presented and no action was taken. They made a really valuable study and research at that time. But during the last twenty-five years we find that all progressive countries are increasingly concerned about the rapid growth of population which tends to exploit the resources we have, and in many cases unwisely. Our great neighbour to the south, which I think has about one-half of the industrial production of the world, is beginning to be seriously disturbed about the rapidity with which their underground waters are lessening to an incredible degree. European nations for many years past have recognized the wasting assets that nature has provided, and Canada with her yet undeveloped areas is in a much more important position when it comes to legislation of this kind, because of those undeveloped resources. There is a great need for conserving them, and we as a young nation should do it.

Many books have been written, many speeches have been made, many newspaper articles and editorials have been published —and I hope many more will be published— along this very line, so that we should be able to get our people more concerned about the growing need of this important work.

Since the formation of the food and agriculture organization of the United Nations these policies have been brought closely to the attention of the people of the civilized world by the emphasis placed on the close relationship that exists between conservation, water management and our economic well-being. The unfortunate part is that we have not been able to translate these factors into effective action whereby nations will work together in the interests of all the people. We in this country unfortunately have not as yet been able to work in close enough co-operation with the provinces on this matter. I think the time is coming, and I trust it will, when we can overlook these petty differences that we have in the interests of the common good of our resources in this country. Fifty years ago Canada had approximately 5 million people. Today we have over 14 million people, an increase of

something like 300 per cent in our population, but our potential productivity has remained the same as it was at that time.

Someone has said that there is a lot of ruin in a nation. I think that is very true of our natural resources. Our forest and water conservation methods must be closely interwoven. The simple fact remains that while science and mechanization have increased our industrial production and agricultural production, nevertheless these gains have been made, we must agree, at the expense of lessening our water supply. The responsibility for this situation is largely due to our individual effort, but I feel that action in this regard must definitely be taken by our governments. It is a matter of great interest to us that some time ago the provincial ministers of agriculture met with our federal Minister of Agriculture (Mr. Gardiner) to discuss some of these problems. They faced the grave concern at that time that the governments of the various provinces were more inclined to attach a greater significance to the dangers of flood conditions to the towns and villages, than to make a careful study of the basic problems and define the difficulties at the source, as well as make a careful study of matters which would give protection at the source of the water supply.

It is quite possible that a large-scale plan of reforestation and a system of diversion of our rivers and streams, similar to projects that have been undertaken by P.F.R.A., could be carried out very effectively in this regard.

In that part of the country in which I have lived in recent years, we have been given ample proof of the devastating results which can be achieved when rampaging waters are uncontrolled. We have in that area a very capable conservation commission, to which reference was made this afternoon by the hon. member for Brant-Wentworth (Mr. Charlton). Then, too, if the hon. member for Brantford (Mr. Macdonald) were permitted to speak in the house on this measure I believe he would say that the conservation commission has done a very excellent job in the capacity in which it has been working.

Nevertheless their tasks are definitely made more difficult because of the fact that they do not have the financial assistance that would permit them to carry out an extensive conservation plan in that area, such as they would have liked to achieve. As a result of the valuable experience we have had in that section, I would have no hesitation in supporting the policy the minister is now advocating. I would approve any policy which would give similar results to every section in Canada.

It is a matter of great importance however that the administration of this should very definitely remain primarily with the provinces, working in close conjunction with the federal Department of Resources and Development. Then, further, it should also be a policy which would embrace soil, water and forest conservation. No one of these projects can be worked effectively if it is operated separately, because it is necessary that all three be embraced to have an effective conservation program.

It is essential that the handling of this project should be done definitely in co-operation with the provinces, under the direct jurisdiction of capable experts in agricultural matters, as well as capable engineers who understand conservation projects. These should include men who are well skilled in this work both from the federal and provincial points of view.

These suggestions may lay a framework for what would at least be a beginning of something that will need continuous and close study for all time. This is only the beginning. If we are to meet the challenge which faces us increasingly from year to year, we must proceed from this point. Speaking from an agricultural point of view, Canada has today better than three-quarters of a million families engaged in agriculture. These families have a great stake in this country in the form of land and equipment. It is a stake which means a great deal to the people involved.

I trust therefore that this measure dealing with water conservation will meet with the wholehearted approval of all hon. members. I trust parliament will recognize the importance and magnitude, and the necessity for enlarging the terms of reference so as to include forest and soil conservation as well, and that this measure may be merely the beginning of a new era that will recognize these basic and essential facts, that our very existence depends upon the maintenance of an adequate supply of these God-given resources which we, in our time, must conserve and which we in our time must not destroy.

Mr. H. O. White (Middlesex East): Mr. Speaker, I want to join with the others who have already spoken in this debate, and to commend the minister upon having introduced this legislation. On other occasions I have had something to say about the conservation of resources, and at this time I want to emphasize some of the points that I think are fundamental and important.

I believe it was Mark Twain who is credited with having said that a lot of people talk about the weather, but nobody does a great

deal about it. I think that is true of conservation. There has been considerable talk about it, but there has not been a great deal done. I hope this is the beginning of a program that will have long and far-reaching effects.

Hon. members will know that the paint and varnish industry have a slogan that says: Save the surface and you save all. I think that might well be applied to our conservation program, because if the top six inches of soil are lost we will find ourselves in a desperate situation, indeed. Our food supplies would diminish very rapidly.

In connection with the program being undertaken it is most essential that effective co-ordination among federal, provincial and municipal governments be brought about. I want to point out right here that in 1939 the municipalities were collecting 30 cents from the tax dollar, while today they collect only 10 cents. The owners of real property, both in the city and in the country, are finding themselves taxed beyond capacity. We realize, too, that these very people who own real property are the backbone of the country. They are the producers, the labourers and the workmen. So that no longer can the burden be placed entirely upon the municipalities.

It is commendable that the federal government is going to co-operate with provincial governments to the extent of 37½ per cent each of the cost of these projects. It was only yesterday that we heard a good deal about the difficulties in connection with the South Saskatchewan river project, and the dam proposed in that area. While these dams are spectacular, so far as Ontario is concerned they are not fundamental to a water conservation project. The place to save water is where it falls.

Water is also a forest problem. In old Ontario it is estimated that about 9 per cent of the land is now covered with forest. In other words 91 per cent of the forest has been removed. Those who have given some study to the subject are of the opinion that in Ontario at least 15 per cent of the area should be forested. I think we should go further than that and say that on an average 20 per cent of the area in old Ontario might well be put back to forest.

One of the counties in southwestern Ontario has its forest coverage reduced to 3 per cent, and the problem of water supply for cities and towns, as well as in farm wells, is becoming very acute in those areas. If we continue at the present rate in the Canadian west I am told, by those who know the subject, that 100 years from now we will have 6,000 square miles of desert. The area is expanding instead of decreasing in spite of the efforts of P.F.R.A. and other agencies which are at work there. Today all over the world we hear of food shortages and populations increasing at a fast rate, yet not another acre of workable land is being added.

There is another problem to be considered in connection with land taken out of cultivation and put into forests. The immediate municipality will lose a certain amount of taxes. Also this marginal land may be producing small amounts of food of one kind and another and the farmer whose land is taken out of production will find his income reduced. Care must be exercised in the administration of this to provide income to take the place of that derived from land taken out of agricultural production.

We hear a great deal today about deficiency diseases because of a lack of certain elements in our food. This should be part of any conservation program. In many areas certain elements are missing from the land and they have not been replaced. Consequently we are faced with this problem of deficiency diseases, not only in connection with humans but in connection with animals as well. One of the statesmen of the United States once said: Show me an eroded soil and I will show you an eroded people. That is true today in some parts of the United States.

The minister and many hon. members have received copies of a brief from the agricultural institute of Canada which contains a well-thought-out program which might well be considered. They point out that there is a possibility of overlapping in government departments which would add to the cost but which would add nothing to the net result. We must avoid that at all costs, as the cost of government is far too high as it is.

At some time or other nearly every agricultural paper in the United States has referred to the fact that some of the great dams which have been built in that country are faced with the problem of silting. Many times they just try to find a solution for that problem by building another dam. I am going to suggest to the minister that one of the valleys in old Ontario be brought under this legislation and used as an experiment to demonstrate the good results that can be obtained from conservation practices rather than the building of dams.

Twenty per cent of the area should be forested. Contour farming should be practised when the land lends itself to that type of land use. Steep hillsides should be grassed so that heavy rainfall will not wash the soil into the valleys and rivers. Good farm management should be practised. In order to get good results these practices should be

pinpointed on individual farms because a practice that will work on one farm may not work on another a short distance away. No over-all practice can be adopted as a rule of thumb to follow. If all this is linked up with the work being done by the Department of Agriculture, the results should be good.

The construction of farm ponds is good and this practice should be encouraged. I should like to see all this done just as an experiment. I believe this experiment is being made on the Brandywine river near Wilmington, Delaware, in the United States and more information could be obtained on what is happening there from the *Country Gentleman* of February 1953.

While I am on the subject of conservation I should like to point out that the soils committee of the Middlesex crop improvement association in my own county are carrying out a very worth-while work in connection with individual farms scattered throughout the county. They are demonstrating how soil can be conserved. A good deal of credit is due to the chairman of that committee, Mr. John A. Stewart, and his agricultural assistant, Mr. Ken Pretty. As I say, they are doing a most worth-while work.

People in Ontario welcome this because they realize that money is being raised in the central provinces by means of federal taxes to be spent elsewhere in Canada. They realize that under this legislation at least a certain portion will be spent in the provinces where the money is raised.

It is most essential that good public relations be maintained between the various departments and the farming people. Farmers resent governments at any level coming in and taking their land for any purpose. It is most important that there be good publicity and good public relations maintained if this policy is going to be worked out to the satisfaction of all concerned. We have in my county the Fanshawe dam part of the Thames valley authority program. There is bound to be some dissatisfaction. As far as it is humanly possible the people who own the land should be dealt with rather than to have some construction company come along and say, "We have nothing to do with it, just talk to somebody else." That sort of thing leaves a wrong impression.

The farm people should be assured that, if they enter into some long-term plan to reforest their lands, they will remain in ownership of those lands. We hear a lot today about the state taking over the ownership of all means of production. I point that out because the party to my left apparently think and believe that is the way we should go; but I am unalterably opposed. How can you have incentive to improve and bring into being these conservation practices, which will return their profits to the farmer over a long period of years, if they say: Oh, well, twenty years from now the state is going to take over the whole blessed business so why should I worry about it or why should my children worry about it? There must be some knowledge, on the part of the people who are going to be affected, that they will own the land for a long period of time.

After all, conservation is really what the Conservative party stands for not only in politics and economics, but in agriculture as well. To point out a few of the thoughts of other people on this matter I have before me some clippings from various publications of one kind and another. I am not going to use a lot of the material but I will take a paragraph here and there from some of them. The first one is from a Royal Bank letter of February, 1949:

> In old Ontario, according to the report of the royal commission on forestry, 1947, forest cover has shrunk to 9·7 per cent. Groups which have studied the question estimate that up to 8,000 square miles, or 5,120,000 acres, of waste land should be returned to forests; the commission itself is convinced that at least two and a half million acres of old Ontario might profitably be reforested.

Another extract I have reads:

> Erosion, the washing and blowing away of topsoil still goes on. Poor land management and poor forestry practices are pouring wealth down the drain. Our rivers are choked with silt and soil.
>
> The world is spotted with cemeteries of agricultural neglect. There is Greece, once the world's cultural and military leader. Twenty centuries have passed, and today Greece is reduced to a barren nation. Only two per cent of her original topsoil is left. Once, six out of every ten acres were forestland; today one out of twenty is forest. Centuries of cutting and burning, careless farming and overgrazing have reduced this country to an importer nation. The land cannot support her people; Greece imports half of its bread, three-fourths of its rice. Greece slipped from the throne of nations in near pace with the slipping away of her productive lands.

It is estimated that it takes anywhere from 300 to 1,000 years to produce one inch of topsoil. The Toronto *Globe and Mail* of December 19, 1952, comments on the throne speech as follows:

> There is a good deal of merit in this point. Soil, water and forest conservation are almost inseparable. If there is to be conservation at all, it must of necessity integrate all three phases. Agriculture depends on soil and water, and both of these derive protection from woodland. There can be large and spectacular dams, but no conservation of soil or water where it is needed.

And further on:

> But what is important in their protest is that the new program be not confined to building big

dams. Unless there is grass roots soil conservation, too, these dams will become mere monuments to folly.

My next quotation is also from a Royal Bank letter, dated August, 1946:

> In one small area in Ontario there are 75 farm buildings classed as fair or poor, while 44 buildings have been abandoned or levelled, every one an unwritten story of hope, toil and disappointment. In some cases the land was good to start with, but it was farmed without foresight. The plow made it ready for carrying away by wind and water. Productivity declined. Income decreased. Sons and daughters went away to cities. A farm which housed, fed and clothed a big family only a few years ago supports no one, and is a menace to its neighbours. Once it deposited money in banks, bought machinery, was the mainstay of local retail business and a customer of the mail order houses. It helped feed cities. Today it buys nothing, pays no taxes, produces nothing to add to the national income or the welfare of the country, feeds no one.
>
> Look westward. In 1941 there were more than 4 million acres of abandoned farms in the prairie provinces, an acreage which, at the long time average yield of 15·6 bushels per acre, might produce 62,400,000 bushels of wheat a year if the land had been saved.

The London *Free Press* on January 15, 1953, also commenting on this resolution, states:

> Canada is embarked on a vast program for the development of her natural resources. The picture is bright and attractive. It could easily become dark and disastrous. Now is the time to set about the provision of adequate protective measures for all our natural resources. A long-term conservation policy covering the whole of the dominion is needed.

Now, gentlemen, I want to support the resolution and I hope the minister will take into consideration the many factors that will come before him, and that we will proceed with this measure.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, I would like to speak for a moment or two in support of this resolution and to commend the minister and his department for the work that has already been done.

In the section of the country which I represent we have possibly the most famous of these conservation schemes. Situated on the edge of my riding we have the Shand dam. This is a three-purpose dam built first as a flood control measure to protect the cities of Galt, London and Brantford, and as a means of conservation because the area surrounding the huge pond that is created by this dam has been almost completely reforested. It supplies water during the summer months to flush out the river and thus greatly assists in the disposal of sewage from those cities which I have mentioned. That dam has worked with the greatest of success. It was so successful that a second dam known as the Luther dam, has been built farther up the Grand river.

This is a different situation than the Shand dam which held back the water in a deep pond in a comparatively small area. The dam that has been constructed on the Luther marsh has at no place a depth of over ten or fifteen feet and I imagine that the average depth would perhaps be three or four feet. Peat bog is the principal soil flooded, and last spring the vegetation began to grow through and out of the water. To look at it you would hardly know that it actually was a pond. This dam was supposed to assist in flushing out the river to the extent of about one-quarter of the effect achieved by the Shand dam. Because of the tremendous area that was exposed to the sun, evaporation took place and most of the water stored in that pond evaporated. The farmers in that district felt that this was the best thing that could have happened, because instead of having hot dry winds blowing over their farms during the summer and drying out their crops they had a moist breeze which encouraged growth on the surrounding farms to a great extent. This is easily understood when we realize that a single deciduous apple tree will give off some tons of water during a hot summer day. Thus it is easy to see that, if we encourage reforestation and the ponding of water, we are going to put tons of moisture into the air which covers the farms; otherwise this moisture would not be there. Through a study of history and geography one can see that deserts have occurred in the areas where the trees have been cut. Knowing the huge quantities of water put into the air by each tree, one can understand why these hot dry winds which result from the cutting down of trees cause desert areas. From the experience we have had at the Luther dam, far different from the experience we had with the Shand dam, we believe that it is a better type of dam and far more useful to the country than the deep Shand dam which was built some twelve years ago.

With this in mind I would recommend to the minister that a great deal more thought be given to encouraging farmers to create ponds of three or four acres in low-lying swampy places on their farms. They should be encouraged to grow trees around these ponds which will distribute the moisture into the air, thus cooling the air and encouraging the crops growing in the surrounding fields. Everyone who has flown in an airplane knows the difference in the air over a forested area as compared with the air over ordinary farm fields. In this country we have to take the necessary steps to see that we have more forests in our farm areas. I am pleased to note that the minister has seen fit to set up an item in his estimates to start the Conestogo

dam. I wish to commend him for that. With these three dams in the relatively small area with which I am connected, I think we will have set an example to many other sections of the dominion, and I would invite representatives from all parts of Canada to come and see what has been done by industrious people in that area of this province who have encouraged reforestation and the retention of our natural resources.

Mr. W. Chester S. McLure (Queens): I wish to say a very few words concerning this resolution brought forward by the minister, Mr. Speaker. It might be my only opportunity of supporting it. It is a wonderful thing when a minister of the crown introduces a resolution of this kind urging the provinces to take assistance from the federal government for the development and conservation of certain resources. When I listened to this debate at first, I was inclined to believe that the resolution concerned only western Canada because the central theme of the debate was water conservation for that great province in the west which seems to be perishing from the lack of water. However, I was glad to see the interest taken in this subject by the maritime provinces as well as the central provinces of Ontario and Quebec.

In my opinion this resolution is just the forerunner of a policy which should be introduced by the government, namely, a policy not only for the development and conservation of water resources but for the development of all our natural resources. As some speakers have said during this debate, we have natural resources that are the greatest of any country in the world, yet we have no direct policy from this government for the encouragement and development of those natural resources.

I am going to deal briefly with water conservation for Prince Edward Island. We have no great rivers or great bays in that province. However, we are different from most of the provinces in that we are entirely surrounded by water. Some years ago our province produced wheat, but then western Canada was able to produce the wheat and put flour into the province at a lower price than we could produce it. During the time we were producing wheat, there were many mill ponds and mill dams scattered throughout the length and breadth of the province to operate the various grinding mills. Today these ponds and dams have practically disappeared. There are only a few operating. The provincial government, in co-operation with the fisheries department, has been rebuilding some of these dams and conserving the water in these ponds. I want to bring this to the attention of the minister, because so far as Prince Edward Island is concerned I believe he should seriously consider the restoration of these mill ponds and mill dams, in co-operation with the fisheries department, for fish culture. I might say that this would be one of the best things that could be done, especially in the interest of the tourist trade.

Several of these ponds have already been rebuilt, but some of them have not been built in a manner that would make them useful to the fisheries department for fish culture. I know there are a great many other members who wish to speak on this resolution. As I said at the beginning that I was only to draw one matter to the attention of the minister, namely, the restoration of the mill ponds throughout our province, I shall close by telling him that if he will co-operate with the fisheries department in putting these mill ponds into use as fish culture ponds it will be of great benefit to the province. They will be an asset by giving sport fishing to many of the tourists who visit the island.

Again I say I have great pleasure in supporting this resolution. I hope that the minister will come to see us with reference to securing better conservation and rebuilding our mill ponds.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I just wish to say a few words in support of this resolution. The Minister of Resources and Development (Mr. Winters) is in the happy position, I think, that he has introduced a measure which has the support of every member in this house, and deservedly so; because in my opinion there is in Canada today no question that is more important than is conservation. Our future as a nation depends on it. Over the years we have listened to enthusiastic propagandists in this country who told us that our resources were inexhaustible and all that kind of thing. The fact is that they are not inexhaustible. Not only have we been using them but we have been wasting them at such a rate that, if we are going to conserve and to keep ahead of the wastage, it will be necessary that a great deal of money be spent.

There has come to my notice recently a book entitled "Conservation in Canada" by Professor O. M. McConkey of the Ontario Agricultural College at Guelph. I would recommend this book for reading to the members of this house. A moment ago I used a certain phrase and perhaps I unconsciously had it in mind from reading the book. At page 12 of his book Professor McConkey says:

> Our future as a nation depends on a national plan of soil building and conservation to which all governments, rural and urban interests, and each

citizen of Canada can work. We have before us the example of the United States where action has been taken; the U.S. soil conservation service, started in 1933, has developed over two thousand conservation districts covering 80 per cent of all the farms in the U.S.A. This service co-operates with farmers and brings a land use and conservation plan to each farm. But it was too late—

That is, too late to prevent the great harm that had been done. To continue:

—it is estimated that over one hundred million acres of farm land had been destroyed before action was taken.

Perhaps the damage has not occurred on that scale in Canada, but there has been a terrific waste of farmland in this country. On the next page of his book the professor says:

Here in North America the exploitation of our natural resources has been savage and rapid. Within an incredibly short time—from one to three hundred years in the east and seventy-five years on the western prairies—we have destroyed more than a hundred million acres of fertile soil.

If we are going to undo the harm that has been done we shall, as I say, have to spend a great deal of money. I think the minister can get that money provided he makes the necessary effort to inform the people of this country. I believe they are now ready to listen to him or to anyone else who will give them the true story of the misuse we have made of our natural resources. If congratulations are in order for bringing in this resolution as a start, I freely give them to the minister. I hope he will lose no time in seeking the co-operation of the provinces to develop in Canada a conservation program that will be really worth while.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, in taking part in this debate I want to speak about this range of land mass between Ottawa and west of lake Simcoe in the province of Ontario. In my opinion there are in this resolution three things that cannot be separated, namely the conservation of our water, the conservation of our land and the conservation of our forests. Each one of them is so dependent on the other that one cannot exist alone without the use of the other.

This range of land area across this country has been a great watershed. It is a great reservoir for such things as the Rideau canal, the Trent canal and the great lakes in the province of Ontario. The height of land divides the northern section of the county of Haliburton; there the height of land is reached in southern Ontario, and the water runs west towards lake Simcoe and Georgian bay, and north into the Ottawa river, and south to lake Ontario, the waters of the great lakes and St. Lawrence river. This area has become a great reservoir. Great concrete dams have been built practically all over this whole area for the conservation of water.

I am glad that the minister has made it possible that what is done will be in co-operation with the province; because in this great area, as to the way the water is controlled now, it is in co-operation with the province. The water is controlled not only for the canals but also for the Ontario hydro.

As to this great range of lakes, there is an area of sixty-six feet around all the commercial lakes, you might say, or the larger ones. That sixty-six feet is mentioned in some agreement made probably one hundred years ago between the province and the Dominion of Canada, or at least probably at the time of confederation. That was more or less called the road allowance although it is never used for that purpose. It is used for the control of water. In other words, when you put in a dam you can raise the water sixty-six feet back on to the land without paying anybody anything. At the same time the land and the timber on the sixty-six feet is owned by the people or the company or whoever it might be that own the land back behind it.

I think that is something that should be adjusted. Some arrangements should be made between the province and the Dominion of Canada to the effect that, where a dam has been put in, this sixty-six feet should no longer exist; because over the years, as they put in a dam, in many places this sixty-six feet is already covered when the water it at high level. Therefore the high-water mark should not measure from the outside edge of this sixty-six feet from the lake but should measure from where the original surveys were taken at low-water level.

On a hot humid day water disappears rather fast. On one of our hottest days in the summer two inches of water will be taken off one of these big lakes by the process of evaporation. Something must be done to bring that water from the soil and from the great watershed back into the lake. Nature takes it up and brings it down in rain, but it does not always come back into the lake; it goes back onto the great range of the watershed.

There is another feature about this resolution that I like. The dominion government has seen fit to step into the picture and to do something about it in co-operation with the provinces. To conserve this water you must do something before it gets into the river. You must conserve it in the lake, in the little stream, in the ponds that are spread out throughout the length and breadth of this land. As I said before, great dams

have been built, but that is not enough. What happens in the spring every year after our timber has gone or a fire has ravaged the area is that with the first hot sun in March away goes the snow. It is down in the lake in a day or two. Your lake is filled to the top of the dam. The inspectors must open the stop logs, and let that water go down the river, so that the great waste of water takes place in the spring of the year in places where we have not timber conservation and where we have no fire reservoir. It is high time that this problem was solved.

The hon. member for York West (Mr. Adamson) gave us an illustration of the value of water. He told us how water is used in mining, in industry and in every aspect of our life in this country. If this great area was reforested it would be to the great advantage of us all. The province of Ontario has done considerable work along that line. They have great tree plantations from which any land owner or anybody else who wants to plant trees may obtain them. That system did not work out too successfully because many people obtained trees but did not plant them properly, and great waste was made of them. Now when you obtain trees you must pay a cent each for them. I myself plant 8,000 or 10,000 trees every year. I endeavour to plant as many trees as will in thirty-five years amount to as much timber as I cut, or even more, in a year. This system has been carried on by a considerable number of lumbermen on more or less privately-owned lands. It should be carried on to an even greater extent by this resolution.

The time has come when the government should be doing something along the line of producing trees and cover on these great watersheds and thereby preserve the water so that the cover will hold the snow and the ice in the bush in the spring of the year. I have seen swamps, low places in the timber, which have had ice in the bottom of them, some of it probably under a foot of topsoil, in the month of June. If our country was properly handled that would take place all over the high land mass. We would not have the run-off in the spring; we would not have our wasted water in the spring. We would have that water going into our lakes, creeks and rivers gradually until around the first of July. That is when your dams would come into use to make your reservoirs in the lakes.

Some arrangement should be arrived at between the dominion and the provinces with regard to the trapping of beaver. At one time in our country in this great range we had little beaver meadows a mile long or two miles long which would have four or five feet of water in them. Through our arrangement for trapping beaver, many miles of this area have been trapped out and the last beaver has gone and the dams are rotted out. The beaver meadow, instead of being full of water, has turned out to be a fire hazard in the summertime because it is full of dead grass.

Those ponds full of water served a useful purpose in fire protection because the fire rangers that the province has at the present time could go in there with their hoses and little pumps and that sort of thing and they could get water to put out the fires.

This resolution should go further than it does for this reason. In the *Financial Post* of five or six months ago this article appeared. They were commenting on the sixth British commonwealth forestry conference which was held here during the past summer, and this is what it says:

> This country doesn't know whether we're cutting down trees too fast. Of eighteen countries represented at the sixth British commonwealth forestry conference now in progress here, Canada and British Guiana alone are unable to give any estimate of the extent to which new forest growth is matching annual utilization and other depletion of forest resources.
>
> In contrast are the precise and complete set of figures furnished by Great Britain which shows that new growth in 1950 was 130·9 million cubic feet against total depletion of 100·2 m.c.f. In Canada it will be at least three years before even a partial answer can be obtained to the question of whether our forests can continue in perpetuity producing at today's rate. By that time there should be a completed forest inventory in at least eight of the ten provinces.
>
> Canada's report to the conference says it seems probable that considerable proportions of the Canadian forest are being cut too heavily, and adds that there is "urgent" need for more intensive sustained yield forest management.
>
> Meanwhile Canada is taking an annual harvest from her forests that in volume is 50 per cent greater than the collective output of all other commonwealth countries. Over-all Canadian forest output in 1950 was 3,322 m.c.f. Output for the rest of the commonwealth was 2,260 m.c.f. with the largest part of it produced in India, Australia and Uganda.

It was not to our government's credit that they did not have any figures to show the conference with respect to what has been done along this line.

The Ontario conservation association held a meeting in the Normal school in Ottawa a few days ago, and I find this report in the Ottawa *Journal:*

> Federal and provincial governments should assist the townships to control bush fires in the settled townships of Ontario, the executive of zone five, Ontario Conservation Association, decided yesterday at a meeting in the Normal school, Ottawa. Major Angus McDonald, of Alexandria, was chairman for the meeting.
>
> The reeves believe that some system, corresponding to that which has been developed in the

United States, since passage of the Weekes' Act, in 1911, would fit the needs of the rural municipalities.

At the present time there are no provincial employees authorized to take any part in fire fighting, outside of the fire district in northern Ontario, which is protected by the provincial service.

That is something that should be done. There should be more fire protection for this great range of land, and it should be reforested. I have other clippings that I could read but they are practically all the same. I am glad that the Minister of Resources and Development (Mr. Winters) has seen fit to bring in this resolution. I am also pleased that he has said that this work will be carried on in co-operation with the provinces, because the provinces control the cutting of our timber. That is true of Ontario, at least. We know that the provinces control a certain amount of water conservation, and that they work in conjunction with the dominion government with respect to the use of the canals, and so on; whereas the water in all this great area is controlled by the dominion government. The inspectors are paid by the dominion government. They are the men who put in the logs in the spring and take them out gradually during the summer months to let the water down at a gradual flow. As I said before, this resolution does not go far enough. We have to do something to reforest this great watershed so that it will hold back the snow, ice and moisture in the spring of the year, and not let it away with the first signs of spring.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. Graydon: I should like to ask the minister a question in regard to some of the schemes already in operation. I have in mind particularly the Mimico-Etobicoke conservation authority which has been in operation, I believe, for two or three years, and which has extensive plans for the prevention of flooding of the Etobicoke river in places like Brampton and Long Branch, and intervening points between the township of Chinguacousy and lake Ontario.

A deputation came to Ottawa about three years ago from that area asking this government to co-operate with the Ontario government in connection with the scheme. As the minister knows, some years ago the Ontario government began this conservation authority plan, and left its legislation in such a way that the muncipalities involved would pay 25 per cent of the cost, with 37½ per cent to be paid by the provincial government, and on the condition that the federal government would pay the balance of 37½ per cent.

This delegation met some of the ministers in Ottawa and put forward the proposal I have described in connection with the Mimico-Etobicoke authority scheme. The matter was brought up in the house by me and by others at that time. The government found many specious and strange reasons why this could not possibly work. I had been here long enough to know that if the government decided to make it work it would work. We now see that it is being worked, despite what was said at that time, because the scheme the minister is now introducing is substantially the same one that the delegation said was feasible, workable and possible.

I have drawn the attention of the minister to an authority, the operations of which are proceeding. The result is that because the dominion government would not come in the provincial government has committed itself to the very large proportion of 75 per cent of the cost, the other 25 per cent to be borne by the municipalities.

This work is in process of completion. Although the diversion of the Etobicoke river, through the town of Brampton, has been completed, or very nearly so, there is other work in progress on the river farther down. I am wondering whether the minister could tell us whether the 37½ per cent denied originally will be available in connection with this scheme, to apply from its beginning. Just where does the scheme fit into the general pattern of an authority such as I have described?

Mr. Winters: Mr. Chairman, the purpose of the federal government's participation in projects of the kind outlined by the hon. member is to ensure the development of those projects that are necessary but which would not otherwise be developed if there were not some element of federal assistance. If the project is being developed in any event, then obviously it has not been beyond the capacity of the municipal and provincial governments, in co-operation. I would be very doubtful if the project to which the hon. member referred could expect financial participation by the federal government under the legislation here contemplated.

Mr. Graydon: Is the minister putting the province to a means test?

Mr. Winters: I think it would be a mistake to anticipate the legislation at this stage. But it is a fact that federal participation will be forthcoming only for those projects which would not likely be built without federal participation. I refer to those projects of a magnitude sufficient to render it unlikely that

they would be built by the municipalities alone or by the municipalities and provincial governments jointly.

Mr. Graydon: I do not wish to pursue the matter unduly, but it is not a question of the municipality's being able to do it. Because, either under the minister's scheme or under the scheme of the Mimico-Etobicoke authority, the municipality pays exactly the same, namely 25 per cent. But I take it from what the minister has said that the schemes covered by this legislation would be very large ones, rather than those of a local nature. In other words the toe got in the door in connection with the Shand dam of the Grand river. That is where the federal government was first committed to this kind of conservation. Would it have to be a scheme of such grandiose proportions before the federal government would be interested to the extent of making a contribution?

Mr. Winters: It would have to be a scheme of sufficient magnitude to warrant participation by the federal government on behalf of all taxpayers of Canada. It would have to be big enough to have some national significance.

Mr. Graydon: Of course we think, in Brampton, that Etobicoke has some national significance.

Mr. Winters: The answer is that it is built, anyway.

Mr. Black (Cumberland): Mr. Chairman, we have had a most interesting discussion on the resolution, and received a minimum of information from the minister. I suggest we should have a further statement from him as to the general policy underlying this matter.

Mr. Winters: It will come when we have the bill before us. This is only the resolution stage.

Mr. Black (Cumberland): The minister referred to three or four developments in central Canada. I do not know even yet under what authority the federal government makes contributions to those developments.

Mr. Winters: Under a vote of parliament.

Mr. Black (Cumberland): Under a special vote for a certain project?

Mr. Winters: That is right.

Mr. Black (Cumberland): Has this policy the minister now suggests been taken up with the provinces? What provinces have indicated that they will be prepared to co-operate with the federal government in putting this conservation measure into effect in those provinces? While there has been reference to some of the provinces, I have heard no reference to Nova Scotia or New Brunswick. Have overtures been made by Nova Scotia and New Brunswick in respect of the conservation of water and the prevention of flooding? There is flooding at certain times of the year in my county and in Colchester county. I saw a statement a short time ago to the effect that the people in Truro, which is in Colchester county, were alarmed at the prospects of flooding owing to a run-off of water from the mountains in the centre of the county.

I would be interested to know if there are any proposals which have been put forward by the minister, by the provincial government or by the town authorities which would enable a project to be undertaken there. In practically every part of Nova Scotia there is some seasonal menace due to flooding caused by the rapid run-off brought about by denuded forests.

I am sure that communities such as Oxford in my own county, and Truro in the county of Colchester, would be interested in this legislation. I would like to know what provision there will be in this legislation that would be of use to these places and other places in Nova Scotia where there is seasonal flooding, damage to property and continual fear on the part of the residents.

Mr. Winters: I think we will have a better opportunity of dealing with this whole subject when the bill is before the house and after hon. members have had an opportunity to study it. The basic reason underlying this legislation is that we have been doing certain things in co-operation with the government of Ontario which it was thought only right and proper should be extended to the other provinces. We are putting in legislative form what we have been doing by special votes of parliament.

It is the intention to make available to Nova Scotia, Prince Edward Island, New Brunswick and all the other provinces the same approach to these problems as has been available in certain instances to Ontario. We have apprised all provincial governments of what we intend to do and they have all expressed interest in and keenness to see the legislation. When it is brought down I have no doubt they will be able to tell us whether they have projects which they believe could qualify. If that is the case, I have no doubt that they will bring them forward.

Mr. Black (Cumberland): Will there be sufficient funds available to enable the department to enter into an agreement, say with Nova Scotia or New Brunswick, in connection with conservation projects, or will

a specific appropriation have to be made available by parliament before anything can be done?

Mr. Winters: There will be no over-all agreement with a province. Hon. members will see from the bill that there will be a separate agreement with respect to each project which will be considered on its individual merits.

Mr. Black (Cumberland): Will sufficient funds be provided in this year's estimates to enable the minister to enter into agreements with the provinces?

Mr. Winters: I think we can deal with that point when the bill is before us. I can tell the hon. member for Cumberland that a vote of parliament will be required with respect to each project carried on under this legislation.

Mr. Black (Cumberland): Am I right in understanding that that is not now in the estimates?

Mr. Winters: That is right.

Mr. Hansell: Mr. Chairman, I did not speak on the resolution stage because I did not want to make a speech. We have heard a good deal about the conservation of our water resources, but in some areas there are times when there is too much water. Can the minister give us any information as to how the proposed legislation will deal with the question of flood control? The minister did mention something of this in the speech he gave previously, but we do not all live in the same parts of Canada and there are certain physiographical features that vary with the different localities.

My constituency runs west right into the Rocky mountains. Volumes of water come down from those mountains in the smaller rivers. This water eventually finds its way into the larger rivers, and then into the great lakes and sometimes into the sea. In the spring tremendous amounts of water come down from the mountains in the smaller rivers, very often flooding some of the towns. I have particular reference to one or two towns in the Crowsnest pass in my county such as Coleman, Blairmore and High River, in the northern part of my riding. These towns have been flooded and great damage has been done.

I do not know what the bill will contain and perhaps the minister will want to leave this until the bill comes down, but I wonder if there cannot be some sort of synchronization with water conservation so that these floods can be controlled. When the Fraser river flooded a few years ago it was regarded as a national catastrophe. When a small town is flooded it is not considered a national catastrophe, but the results are just as serious to the people in that town as to people in larger centres. It is only a matter of number, for the consequences to the individual businessman or home owner are just as serious whether he lives in a small or large community.

A few years ago when one of these towns was flooded I took up the matter with the Minister of Public Works and the dominion government did some flood control work as a relief scheme. At that time they wanted to put men to work so that they could earn their bread and butter. But when floods occurred later on there were no relief schemes available. Of course there was no money from this government to control any floods there and it was a matter of passing the responsibility from one government to another government, and when they both begin to pass it over from one to another you just cannot get anywhere at all.

So, I would like to know if the minister can give us any information that would be valuable in that respect. Perhaps to make my question a little more direct I might ask him this: Are these various or smaller projects going to be the responsibility of the provincial government after these grants have been given to the provinces? Is it going to be left to their discretion to spend the money the way they wish? Are smaller projects going to be brought into the picture or just the larger ones? If the minister can, I would like him to give the house some information along that line.

Mr. Winters: Mr. Chairman, I would like to leave the details of the answer until the bill is before the house. I can tell my hon. friend that flood control is one of the main features envisaged by the legislation we are now seeking to introduce.

Mr. Browne (St. John's West): The minister has just told us that flood control is one of the principal features of this bill. I wonder if he would mind telling us whether, in devising this scheme, the government had all of the provinces in mind or only those which especially suffered from lack of flood control.

Mr. Winters: We had all provinces in mind, Mr. Chairman, and we communicated with all provincial governments.

Mr. Green: There seems to be some fear of overlapping between the Department of Resources and Development and the Department of Agriculture. I wonder if the minister could explain where the dividing line is to be drawn.

This afternoon the hon. member for Kootenay West referred to a brief submitted

by the Agricultural Institute of Canada within recent weeks. I also have a copy of that brief. They are very much concerned because this policy is to be under the Department of Resources and Development. I know that in the province of British Columbia the people are very anxious to have the P.F.R.A., which is under the Department of Agriculture, extended to that province to undertake the various projects. Apparently P.F.R.A. has had considerable success in developing projects and the demand is for them to undertake projects which I believe would be of the type envisaged by this resolution.

Can the minister tell us just where the line is to be drawn? I hope this is not to be another case of building up two kingdoms in the government with overlapping functions. There does seem to be some danger of that happening and perhaps the minister could explain where the dividing line could be drawn.

Mr. Winters: It is not intended, of course, that there shall be any overlapping of functions. The approach to the problem has been at all times that the type of work envisaged by this bill is carried out by the water resources division of the department. That division has been in the department ever since it was the department of the interior.

In our dealings with Ontario, that province's operations have been under its department of planning and development. They did not visualize these projects to be of a type that would in any way conflict with their department of agriculture, nor do we in the federal government. There is no intention of having overlapping in the two fields of activity at all. The act under which the Department of Resources and Development was set up makes the two fields of jurisdiction clear and I can assure hon. members that there is no intention to have overlapping.

Mr. Green: One other question. Would this measure enable the Department of Resources and Development to undertake work in connection with such a project as the conservation of water in the Columbia river basin? As the minister knows, the Americans have used that river to almost the maximum possible extent, I take it, in so far as the river is in their territory, but in Canada there is some division of authority between the dominion and the province. I am wondering if the development of the Columbia river basin would come under this measure. I know that the minister's department has for some years been making investigations and surveys and giving help of that kind in the Columbia river basin, but will the whole project come under this measure or could it come under this measure?

[Mr. Green.]

Mr. Winters: It is difficult to answer that question until we know what the whole project will be. At present there is a survey on the Columbia river basin being carried out under the general jurisdiction of the international joint commission. Certain responsibilities have been assigned to the Canadian section of that commission to conduct surveys; and the water resources division of the Department of Resources and Development has assumed the general responsibility for making the surveys and collecting the data. Once the surveys have been completed and the data compiled it will then be possible to see what the development of the basin should be; but up to that time, not knowing what program of works will commend itself, it is difficult to say who should carry it out.

Mr. Green: Would the development of the basin come under the international joint commission or would it be under either the federal or the provincial government? Surely the international joint commission would not actually do the development work. I can understand why they are making the surveys or directing the surveys but they would not have jurisdiction over the actual development.

Mr. Winters: The hon. member is correct in that.

Mr. Green: Is there any authority which would have the direction of the actual development?

Mr. Winters: The question of the actual development would be largely for the provinces. The resources are within the jurisdiction of the provinces and they have the prime responsibility for their development. It is entirely possible that there will be a private enterprise approach to any development that takes place in that basin, and if it takes place it will be with the full knowledge, consent and under the jurisdiction of the provincial government.

Mr. Green: Would the dominion government not have anything to do with the development? Mind you, the river system is navigable, so the Department of Public Works would have some responsibility. Would the dominion government not come into that picture at all?

Mr. Winters: I am quite sure there would be consultation and each government would work within its own sphere of influence. The development of water resources is, in the first instance, under the jurisdiction of the provincial governments. This is a basin which has potentialities of great magnitude and I

have no doubt that if it is to be developed to the fullest extent there will be co-operation between all levels of government.

Mr. Hodgson: Mr. Chairman, on the Burnt river at Kinmount, Ontario, there has been a dam built. I do not know how long ago it was built but it was there long before I was there. It is a timber dam, its piers filled with stone. The piers have become very rotten and the dam is apt to go out at any time. I have been after the Department of Transport, and through them the Minister of Public Works, to rebuild that dam but they have refused to do so until now. A small village of 250 people could arrange to put up $5,000 but that is as far as they could possibly go. I believe the province is likely to come in on it from the tourist angle. Would the federal government be in a position to grant money for 37½ per cent of the cost of that project?

Mr. Winters: I cannot say. I am not familiar with the project. I would have to see it and study it.

Mr. Hodgson: We will make you familiar with it.

Resolution reported, read the second time and concurred in.

Mr. Winters thereupon moved for leave to introduce Bill No. 109, to authorize the grant of assistance to a province for the conservation of water resources.

Motion agreed to and bill read the first time.

HISTORIC SITES AND MONUMENTS

ESTABLISHMENT OF BOARD ON STATUTORY BASIS

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee to consider the following resolution:

That it is expedient to provide for the establishment of the historic sites and monuments board of Canada on a statutory basis; to provide that the board shall consist of twelve members and for its powers and duties; to provide also that the appointed members shall be paid a fee for attending each meeting and travelling and living expenses incurred in connection with the business of the board; to provide also for the appointment and remuneration of a secretary of the board; and to provide further that all expenditures for the purposes of the act shall be paid out of moneys appropriated by parliament therefor.

Mr. Black (Cumberland): Could we have a statement from the minister now as to the necessity for this legislation?

Mr. Winters: Since the motion is one for the Speaker to leave the chair, and since we have gone through this debate on a number of occasions, I think it would be preferable if the statement were made after we are in the committee of the whole, at which time I shall be pleased to make brief remarks.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. Winters: Hon. members will recall, Mr. Chairman, that the historic sites and monuments board was set up by the governor in council in 1919 for the purpose of advising the government in the selection and commemoration of sites and events of national historic importance. With the exception of changes in personnel from time to time, the board has functioned on this more or less informal basis up to the present. Its terms of reference have never been clearly or formally defined.

The bill referred to in the resolution proposes to establish the board on a statutory basis and to define its duties and powers. It is proposed that the board shall be composed of twelve members; ten to be appointed by the governor in council and to represent each of the provinces. The other two members would be the dominion archivist and chief curator of the national museum. Provision is being sought to authorize payment to the appointed members of a fee for attending each meeting and for the payment to all the members of travelling and living expenses incurred by them in connection with the work of the board. Authority is also being sought for the appointment and remuneration of a secretary of the board. The bill will also ask for authority to establish historic museums and to acquire land for such purpose.

I do not think there is anything further I need say at this time. I am sure that all hon. members will agree with the desirability of establishing the board on a more permanent basis, thus giving greater recognition to the importance of the work it will be asked to perform in the years to come.

Mr. Follwell: I believe all hon. members will agree with the minister that we establish this board on a permanent basis. Recently I had the honour of representing the minister at the unveiling of a tablet to commemorate one of the outstanding Canadians of a few years ago. I had the opportunity also of attending with the Prime Minister when, under the direction of this historic sites and monuments board of Canada, there was unveiled in the city of Belleville a memorial to the late Sir Mackenzie Bowell, who was prime minister of Canada from December 21, 1894, until

April 27, 1896. Sir Mackenzie Bowell represented the old constituency of Hastings North.

The Chairman: Order. I realize the interest that the hon. member has in all the monuments that he has seen unveiled, but on the other hand I am afraid if I allow him to carry on I shall be opening a door which certainly will not be closed this evening. Therefore, I would ask him not to discuss any matter but that which is relevant to the resolution.

Mr. Follwell: I was only endeavouring to point out to the committee the work that this group of ten representatives, one from each province, has attempted to do and has been doing. I believe that the group has been doing great work and, as the minister says in his resolution, apparently without any remuneration. I believe that a board so important as this particular board should be recognized in legislation, and should be properly compensated for the work it has done and is doing. I am sure that all members of the committee will join with the minister in supporting the legislation that he introduces.

Mr. Browne (St. John's West): It was fitting that today the government should announce that they would erect a monument on parliament hill to one of the Conservative prime ministers, and that the hon. member for Hastings South should be allowed to refer to another distinguished Conservative prime minister to whom another monument has been erected in Belleville.

Mr. Gibson: It must be a good wicket.

Mr. Browne (St. John's West): I notice that the minister has not followed the recommendation of the royal commission on arts and sciences. It was not, of course, necessary that he should do so. The royal commission recommended that the provinces of Ontario and Quebec should have two representatives each, and also that the Canadian historical association should have the privilege of nominating two of its members for five years. The recommendation has not been followed, but other recommendations seem to have been followed in the main.

Now, sir, I should like to draw the attention of hon. members to references which have been made in the report of the royal commission to this very important subject. They are found in two sections, part I, chapter 11, and also in part II at page 346. If I may, sir, I should like to draw the attention of the committee to a reference which is contained therein to the province of Newfoundland. The reference is found at page 129 of the report and reads as follows:

> An area rich in historic sites as old and even older than any in the rest of Canada is Newfoundland. We heard of nearly sixty sites of general historic interest awaiting the attention of the historic sites and monuments board. We were told of the traditional landing place of John Cabot (June 24, 1497), of Carbonear, where the early Channel Island settlers produced the "charbon" for heating their homes, of old graves of Basque fishermen, and of the site of Lord Baltimore's castle inhabited by David Kirke and others.

David Kirke is the Sir David Kirke who conquered Quebec when Champlain was first there.

> We were taken back not to the eighteenth century but to the seventeenth and (for a brief moment) to the fifteenth. Canada's newest province proudly and rightly claims her place beside the oldest.

There is no doubt that this board has a great deal of work to do which perhaps could not be easily done by a voluntary organization. The idea of compensating them for the time they spend on their work is no doubt a good one. In St. John's I can think of several places that deserve memorials. It is associated with Sir John Cabot—

The Chairman: Order. Does the hon. member think he should now indicate the business which the board will have to do?

Mr. Browne (St. John's West): The chairman has asked me a question. Following the precedents which have been followed on other resolutions, I thought that a general discussion might take place, not going too far away from the terms of the resolution itself.

The Chairman: Quite so. But the debate that takes place must always be relevant. I do not want to curtail the discussion, but it seems to me that if all hon. members are allowed on this resolution to indicate to the minister where historic sites should be established all across Canada, so much time would be spent that it would certainly delay considerably the passage of this legislation.

Mr. Knowles: That does not make the debate out of order.

Mr. Browne (St. John's West): I hope not to take up too much time. I was impressed by the recommendations which were made by this royal commission, especially in the latter part of the volume. The hon. member for Trinity-Conception (Mr. Stick) does not think that this has anything to do with the board. It is the origin of it.

Mr. Stick: Not the setting up of each board.

Mr. Browne (St. John's West): This is where it stems from. It is following the

recommendations of the royal commission that the board is to be put on a statutory basis at the present time. If the hon. member thinks otherwise, he can look at page 348 and see the reference there, and the recommendation.

Mr. Stick: I know.

Mr. Browne (St. John's West): He can read it again with profit.

Mr. Graydon: You do not always get it the first time.

Mr. Stick: Second thoughts are always best.

Mr. Browne (St. John's West): At the present time the historic sites come under the national parks branh of the Department of Resources and Development. I presume that this board will continue to be operated under the same department. I notice that there are 388 sites in nine of the provinces and not one in the tenth province of Newfoundland. When the board is established I hope it will see that we get our proportionate share of the sixty that have already been brought to the attention of the royal commission.

Mr. Riley: Mr. Chairman, I shall not go to bed tonight with any kind of inferiority complex after having received that burst of applause.

I want to tell the minister that I am in full accord with this measure, which is designed to set up a board on a statutory basis. I have good reason for being in accord with it, and I shall try to explain it in the space of a minute or two.

Mr. Fleming: Take your time.

Mr. Graydon: There is no rush.

Mr. Riley: Some time ago I suggested to the minister that a monument be set up near Hopewell in Albert county in memory of the late Viscount Bennett, one of our former prime ministers. The minister agreed to do that and I understand that he suggested to his departmental officials that they proceed with the work. For more than a year now I have been awaiting news of the erection of this monument at the birthplace—

The Chairman: Order. The hon. member cannot do that in discussing this resolution. Shall the resolution carry?

Mr. Riley: Mr. Chairman, I am just about through; but I was explaining why I was endorsing this resolution of the minister.

The Chairman: I know that the hon. member, like many others, has a fairly good reason to be out of order. Shall the resolution carry?

Resolution reported, read the second time and concurred in.

Mr. Winters thereupon moved for leave to introduce Bill No. 110, respecting the establishment of the historic sites and monuments board of Canada.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall take up third reading of Bills Nos. 19 and 40 which passed second reading and committee stage today. Then we shall consider the resolution in the name of the Prime Minister (Mr. St. Laurent) respecting the Emergency Powers Act; then the resolution in the name of the Minister of Resources and Development (Mr. Winters) respecting the revision of the Yukon Act; also the resolution of the Minister of Finance (Mr. Abbott) to amend the Farm Improvement Loans Act, 1944; Bill No. 46, to amend the Merchant Seamen Compensation Act. We also hope to have time to consider the resolution concerning the Emergency Gold Mining Assistance Act.

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

HOUSE OF COMMONS

Friday, February 6, 1953

The house met at 2.30 p.m.

MARINE AND FISHERIES

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. T. G. W. Ashbourne (Grand Falls-White Bay) presented the first report of the standing committee on marine and fisheries, and moved that the report be concurred in.

Motion agreed to.

FISHERIES

NEWFOUNDLAND—QUESTION AS TO REPORT OF JOINT COMMITTEE

On the orders of the day:

Mr. W. J. Browne (St. John's West): I notice that the Minister of Fisheries is back in his seat, and I wonder if he can tell us when the report of the joint committee on the fisheries of Newfoundland is likely to be brought down.

Hon. James Sinclair (Minister of Fisheries): I was told down there that it would be at the earliest possible moment.

Mr. Graydon: They did not tell you much.

NEW PROCESS FOR CANNING LIVE LOBSTERS

Mr. A. M. Robichaud (Gloucester): I should like to address a question to the Minister of Fisheries. Has the Department of Fisheries any knowledge of the new process for canning live lobsters and marketing them as such, recently advertised by a Boston firm?

Mr. Speaker: Order. I would suggest to the hon. member that he put his question on the order paper.

Mr. Graydon: These are live lobsters.

CANADIAN NATIONAL RAILWAYS

ASSESSMENT OF INCOME TAX ON PENSION FUND REFUNDS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, has the Minister of Finance received representations for legislation relieving Canadian National Railways employees of the necessity of treating pension fund refunds as income in one year? If such legislation is necessary, will the minister consider including it in his budget proposals of February 19?

Hon. Douglas Abbott (Minister of Finance): The answer to both questions, Mr. Speaker, is in the affirmative.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

RECOVERY OF INCOME TAX DEDUCTIONS

Hon. Paul Martin (for the Minister of Transport) moved the third reading of Bill No. 19, to amend the Canadian Vessel Construction Assistance Act.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF AUDITORS FOR NATIONAL RAILWAYS

Hon. Paul Martin (for the Minister of Transport) moved the third reading of Bill No. 40, respecting the appointment of auditors for national railways.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Transport): Yesterday the member for Winnipeg North Centre asked two questions. First he asked why we proceed with this appointment by an act of parliament rather than, as the Canadian National-Canadian Pacific Act states in section 13, by a joint resolution of the House of Commons and Senate.

I am informed that in 1933, when the basic statute was passed, it stated that the auditors should be appointed by a resolution of parliament. The first appointment of an auditor under that act was in 1934, and the phrase "appointment by resolution of parliament" was considered. The law officers advised the government of that day that the only way the appointment could be made was by an act of parliament.

Without going into an elaborate explanation I draw to the attention of my hon. friend the debate of 1934, which is reported in *Hansard*. Then in 1936 the change I have outlined was made. Instead of using the phrase "resolution of parliament" it was changed to "joint resolution of the House of Commons and the Senate". However, by that time parliament had become accustomed to proceeding by way of a bill. This, as hon. members will appreciate, provides added control over legislation beyond what is provided in a resolution because a bill comes

to the members of both houses for attention more frequently than would be the case were we to proceed by a joint resolution. Therefore in consequence, despite that change in the statute in 1936, there has never been any change in procedure. We are today suggesting the appointment by way of an act of parliament just as has been done every year since 1934.

Mr. Knowles: There was another point.

Mr. Benidickson: The other question that was raised by the hon. member for Winnipeg North Centre was the question why there was no reference in this bill to a repeal of other legislation after enactment of the revised statutes. I draw his attention to the fact that this is an annual appointment and it refers to a continuous audit. There would be no desire to repeal the legislation of last year which was an appointment of auditors for 1952. This is an appointment for one year, 1953.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I thank the parliamentary assistant for going to the trouble to get the answers to those two questions which I put to him yesterday. It seems to me that the answer he has given to the second question is not only satisfactory but quite reasonable. I am, however, still interested in the answer given to the first question.

It seems to me that what he has said—if I may paraphrase it—is that the government is following custom rather than the statute. If it can be established that the custom we are following is better than the provision laid down in the statute, it follows that it would be a good idea to amend the statute. Otherwise, does it not make a mockery of the rule of law and the importance of all of these fine details that we write into acts of parliament from year to year?

As the parliamentary assistant has pointed out, the wording that is now in the statute to which I drew his attention yesterday was put there in 1936. He admits that the statute was passed after the custom of doing it by act of parliament each year had been established. In other words, parliament knew what that custom was when it enacted in 1936 that it be done by a resolution of both houses in parliament.

As I indicated yesterday, in the end result there is no difference whatsoever. What we are talking about is not a matter of substance, and it is not even a matter of legality. It is a matter of procedure. In view of the importance that attaches to the laws that are passed by parliament and to the precise terms that are in them if it has been decided to follow the custom rather than the law I suggest that at least the law might be changed to conform with the custom.

Mr. McLure: Mr. Speaker, I should like to ask the parliamentary assistant a question.

Mr. Abbott: We are not in committee.

Mr. McLure: When will the reports and statements of the Canadian National Railways be ready for the committee? Can we receive them at least a week beforehand?

Mr. Benidickson: Customarily the auditors' report is available prior to March. It is usual for the committee on railways and shipping to assemble in March just as soon as the financial statement of the railways for the past year and the budget for the coming year are available.

Motion agreed to and bill read the third time and passed.

EMERGENCY POWERS ACT

PROVISION FOR CONTINUATION OF ACT FROM MAY 31, 1953 TO MAY 31, 1954

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Powers Act to provide for the continuation of the act for a further period of one year, that is from the thirty-first day of May, 1953, to the thirty-first day of May, 1954.

Mr. George A. Drew (Leader of the Opposition): Is the Prime Minister going to make a statement now?

Mr. St. Laurent: I understand that the Minister of Justice (Mr. Garson) has a statement to make.

Hon. Stuart S. Garson (Minister of Justice): I will make it as soon as the house goes into committee.

Mr. Drew: I hope the statement will be made now, because I think it would be an advantage if the statement were made in advance of other statements that will be made. The question before the house is whether it is expedient that a certain thing be done; and I would hope that we would have an explanation as to why it is expedient.

Mr. Garson: Speaking to the point of order which my hon. friend has just raised, may I say that I understand the motion which is before the house is that Mr. Speaker do now leave the chair in order that the resolution might be considered in committee. There is not a great deal that can be said upon the subject of the Speaker leaving the chair. If it met with the approval of hon. members I

think it would be much better if, immediately when we get into committee, I would begin with the statement I was going to make. Then there would be opportunity for questions and the like.

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

Mr. Drew: No. I want to indicate to the minister that I propose to speak at this time. If he wishes to let his statement stand over, that procedure is perfectly satisfactory to me. But if on the other hand he would prefer to make a statement, it can be done in that way.

Mr. Garson: Mr. Speaker—

Mr. Drew: I do not want to interrupt the minister, but I would point out that the real issue which is before us is whether it is expedient that a new act of this special nature be introduced. That is the issue much more than is the content of the measure itself. I am therefore suggesting that it would be wise for the minister to place before us an explanation as to why it is expedient that we should consider the introduction of special legislation of this nature.

Mr. Garson: With great respect, Mr. Speaker, I suggest that the motion which is before the house is that the Speaker do now leave the chair so that we can discuss in committee the expediency of the resolution which will then be presented to the committee. I have little to offer with regard to the wisdom of the Speaker leaving the chair. If my hon. friend would like to lead off on that subject, it is all right with me.

Mr. Drew: Mr. Speaker, I would refer you to a decision that you made on June 18, 1952, as reported at page 3375 of *Hansard*. I read these words:

> After giving this matter my careful consideration I have come to the conclusion that if there is no objection to the consideration of the resolution in committee of the whole, the motion that the Speaker do leave the chair should be put without debate. If any members are opposed to the resolution, and do not think that it should even be considered in the committee of the whole, or if they require additional information before agreeing to the motion, they should be given an opportunity to speak on the motion. The minister should endeavour to answer the objections which have been raised and to give the information requested.

It is in relation to that ruling that I propose to speak; and if the minister does not propose to speak, I shall go ahead.

Mr. Garson: Before my hon. friend does so, Mr. Speaker, I think it would be desirable—on the point of order—that the whole of the extract to which he has referred should be put on the record. The paragraph immediately preceding the one which he read is as follows:

> I should point out that the motion is for the Speaker to leave the chair, etc. It is not a motion to adopt the resolution. However, under our present practice members have been debating it as if it were such a motion. The minister makes an affirmative statement, frequently going into details, with the Speaker in the chair, and other members follow. The result is that a full discussion of the resolution takes place at this stage. I am sure that is not the procedure contemplated by standing order No. 60, nor is it in accordance with Mr. Speaker Glen's ruling, in which I concur.

It will therefore be seen that the Speaker's ruling which my hon. friend has invoked for the purpose he has in mind is dead against him.

Mr. Drew: Mr. Speaker, it is always extremely convenient to read the first part of a ruling and then say that the conclusion is against the position that is taken. I have read your conclusions, which you said had been given to the house after careful consideration, and it is on the basis of that ruling that I am rising now to discuss the matter before the house.

It is true, Mr. Speaker, that the motion is that you leave the chair for the purpose of considering a certain resolution. In the case of emergency legislation of this kind, which is unusual legislation in this house, I submit that it is appropriate that we immediately decide whether we should take any steps at all to renew extraordinary legislation of the kind that we have had before us. I use the term "extraordinary" with the dictionary meaning of that word in mind. It is out of the ordinary to initiate proceedings designed to delegate to the executive the powers which are ordinarily exercised on behalf of the people of Canada by those who were sent here to do the business of parliament on behalf of those people.

The fact that we have already had an act of this kind in effect does not dispose of any of the objections to proceeding at this time to consider unusual legislation which confers upon the government the power to deal with almost every aspect of the life of the people of this country, subject only to certain reservations of a very limited nature. That surely is extraordinary legislation. Therefore I do submit that before we should even consider asking you to leave the chair for the purpose of having a discussion in regard to this, we should immediately place before the house reasons why no such steps should be contemplated at this time.

We are asked to say that you should leave the chair so that we may consider the desirability of introducing legislation similar to that which has been on the statute books

now for nearly two years. That legislation was passed over the objections of hon. members who pointed out that in the event that there should be a threat of general war, or such disturbance as might threaten the peace and security of the country, there was legislation already on the statute books under which the government could act at any time without waiting to convene parliament. Nevertheless this legislation was passed. It has been in force for nearly two years.

I submit that before a single step is taken to consider the reintroduction of legislation of that kind, we should ask ourselves today what evidence has come to us from the experience of the past few years which suggests any reason why we should suspend the ordinary authority of parliament in the way that is suggested by this resolution. It is not enough to say to hon. members that no injury has been done to the rights of parliament. I would contest that statement if it were made. I would concede, however, that the extent to which the wide powers of this act have been invoked is not sufficient to arouse any considerable concern in the minds of the public as to what the real effect of this act could be. We should be considering not what has happened but what could happen. We should consider the fact that while we are told from time to time that this government feels secure in office, conceivably another government may be in office while this act is still in force. That government also would have this act before it.

Legislation we pass must not be passed with the comforting assurance that the individuals who will be immediately entrusted with it can safely be given wide powers. We must see what wide powers are conferred and decide whether it is wise that any government at any time should have those powers. It is in that light that I think we should consider the proposal now before us.

We were told before in the preamble to the act which was adopted that an international emergency existed which threatened the security of Canada. No one can be in any doubt about that fact. One of the things which threaten Canada and every free nation of the world today is the loss of their personal freedom, which in our case is assured by our parliamentary democracy. For that reason we should be asserting the full authority of this parliamentary system of ours by the retention by parliament of its powers over the business of the people, at a time when the system itself is part and parcel of the struggle in which this whole world is engaged.

[Mr. Drew.]

In the preamble to the act which will expire within the next few weeks it was said:

> And whereas it is essential that emergency powers be conferred to enable measures to be taken as urgently required from time to time to carry out adequate defence preparations, to regulate the economy of Canada to meet the needs of defence and to stabilize the economy and to safeguard it from disruption that may result from defence preparation in Canada or from emergency measures taken in other countries, in order that defence preparations may not be impeded;

Then the act went on to say:

> And whereas it is preferable that the necessary emergency powers be exercised under special authority from parliament rather than that the War Measures Act—

—therefore this act should be passed. What parliament was asked to do on that occasion, Mr. Speaker, was to pass an act which gave the government wide powers over the whole Canadian economy. These were the specific subject matters covered by the act:

> (a) control and suppression of maps, plans and photographs;
> (b) control of communications and means of communication;
> (c) control of the harbours, ports and territorial waters of Canada and the movements of vessels;
> (d) transportation by land, air or water and the control of the transport of persons and things;
> (e) trading, exportation, importation, production and manufacture; and
> (f) imposition and recovery, in connection with any scheme of control, of fees or charges payable to the Receiver General of Canada or into any fund or account established by order or regulation for the purposes of the scheme of control.

Just let us think of what is covered by these words. First of all there is control and suppression of maps, plans and photographs. I am sure it will be said, "But that of course only means a limited type of photographs." The words are "maps, plans and photographs". Under this there is no limitation to the maps, plans and photographs that could be brought under the control of the government.

Indeed, that has already been held in the Nolan case, where the order in council obviously went far beyond anything that was contemplated when these emergency powers were originally conferred. The Nolan case, in fact, is a warning to us, and one of the reasons we should reconsider this matter carefully today. That case says in effect—and it will be kept in mind that it is a judgment of the privy council—that no matter how unrelated to the ordinary purposes of the measure itself the conduct of the government may be, if the government has decided that it will proceed under these emergency powers, that decision stands.

The judgment, in itself, is one reason we should pause today before making a single move to prolong extraordinary machinery which places in the hands of the government the power to deal with broad aspects of the economic and social life of this country, under the words I have just read in these various headings.

Let us think of what the government can control under the "control of communications and means of communication". That means that the ordinary communications between our people, one of the basic rights of a free people, could be stopped at any time. The courts, under the Nolan judgment, would be bound to say that no matter how far the government had gone, that order would stand.

Then we find that the government has "control of the harbours, ports and territorial waters of Canada and the movements of vessels." There again, under wide and unrestrained powers the government can control the operation of our harbours, our ports and territorial waters, and the movement of all the ships using them. These are powers so wide as to control the whole export business of this country, because it involves control over the movement of ships.

The next paragraph refers to "transportation by land, air or water and the control of the transport of persons and things". No wider power could be conferred. The whole movement of goods and of people is left completely under government jurisdiction and whim. They may make such decisions as from time to time they may regard as desirable, according to their idea of what is desirable.

Then we have the declaration that the government may control "trading, exportation, importation, production and manufacture". Mr. Speaker, this covers the whole economy of Canada. "Production" means production of all kinds. It means production by farmers; it means production by miners; it means production by forest operators. It means production of every kind from which the daily livelihood of our people is gained. And then, in addition to that, there is unlimited control over manufactures, which means the product of all the machines which give to our production in this country such tremendous scope and flexibility.

Then we have the declaration that it has all these wide-open powers, unrestrained by control, to determine how there will be "imposition and recovery, in connection with any scheme of control, of fees or charges payable to the Receiver General of Canada or into any fund or account established by order or regulation for the purposes of the scheme of control".

We were told, when this subject was discussed before, that there were exceptions which did leave the people with some possibility, some assurance, of freedom. That is in section 2 (2) of the act which reads:

> Notwithstanding anything contained therein, the powers conferred on the governor in council by subsection one do not include power to make orders or regulations in relation to
>
> (a) arrest, except as incidental to proceedings under section three, detention, exclusion or deportation of any person;
>
> (b) censorship or the control and suppression of publications and writings; or
>
> (c) expenditure of moneys otherwise than in accordance with an appropriation by parliament except expenditure of moneys from any fund or account established by order or regulation in connection with a scheme of control for the purposes of that scheme of control.

The exemptions and the protection here are almost illusory. "Censorship or the control and suppression of publications and writings" seems to be a wide-open protection. It is a protection that certainly should exist, and that need not be discussed. But when we are told that the government protects the people of this country from arrest, let us see what it is in respect of which this protection is given. It protects the people from arrest, "except as incidental to proceedings under section 3". And section 3 provides that the governor in council may prescribe penalties—

> —by way of fine or by way of imprisonment for a term not exceeding five years, or by way of both fine and such imprisonment, that may be imposed for violation of orders or regulations made under this act and may also prescribe whether, and the circumstances in which, the said penalties shall be imposed upon summary conviction or indictment.

This simply means that, in relation to any of the subjects covered in section 2 (1), where the government makes regulations which must be observed in respect of any of these matters, if there is a breach of these regulations there may be arrest and all that follows arrest, without any restriction or any protection being afforded by section 2 (2) of the act.

I can remember it was pointed out that no such wide powers as these had been exercised at any time. The suggestion was made that we need not be concerned about how wide these powers are because up to this time the government had not exercised such wide powers. In a very substantial measure that is so. Actually we are called upon to ask ourselves, before we take a single step in this matter, just why it is necessary that this should be done. Why are we asked to reintroduce an emergency

act of this kind? What has the government found it necessary to do under the act which indicates a need for a continuance of its powers?

If the government is going to rest its case upon what it has done already, then let us see what it has done. These are orders passed under the act from May 1, 1952, to date, so far as I have been able to ascertain. First there is P.C. 2306, which was a consolidation of the previous regulations respecting great lakes seamen's security regulations. These regulations had to do with security on the great lakes and the screening of seamen, with the declared intention of preventing communist activities in these very important operations.

The second order is P.C. 3197, passed on May 30, 1952. This was merely an order pursuant to the addresses of both houses which extended the act for a further year.

The third was P.C. 4116 passed on September 24, 1952. This was a partial revocation of a previous order passed on September 26, 1951, respecting the power of the board of grain commissioners to defer the weighover at any terminal elevator.

Then there was P.C. 4410 passed on October 30, 1952, which was an order in council respecting pilots' licences under the Aeronautics Act and radio proficiency certificates under the Radio Act. These again ostensibly related to security and provided for the opportunity to screen those engaged in certain important activities.

No. 5 was P.C. 4525 passed on November 19, 1952. This was an order revoking previous order in council P.C. 1608, which provided the authorization for minting a new five-cent coin of steel. So far as I have been able to ascertain these are the orders in council that have been passed since May 1 of last year.

Let us see what this means. We may be told that it was not a very momentous order that was passed in regard to the five-cent piece. Let us be quite clear about it. It did not need any Emergency Powers Act to deal with that. Here was a subject that certainly called for no such wide powers. What was there relating to the world-wide tension or what was there relating to the threat from without and danger to our peace and security in the content of the five-cent piece? What was there that threatened the economy of Canada in the fact that there was steel in our five-cent piece at that time?

This does seem humorous, but the fact remains that the very absurdity of the proposition that this should be regarded as an emergency illustrates that this act is being used for matters that have nothing in the world to do with any such emergency as was described in the preamble. This simply was a convenient way of dealing with something that the government decided was not important enough to bring to parliament. If the government really wants to tell parliament, "We do not think you should be bothered with ordinary details of this kind" then let them present a bill to us which will properly describe its real purpose. But do not come to us and say that you need an act based upon the presence of world-wide disturbances in order to deal with the Canadian five-cent piece.

Let us look at some of these other orders. One was simply an order implementing the recommendation of these houses that the act should be extended. However, there were two orders which I suggest should be considered. I believe that these orders are much more important than they appear on the surface. One was an order dealing with great lakes seamen's security regulations, and the other was an order in relation to the issuing of pilots' licences under the Aeronautics Act and radio proficiency certificates under the Radio Act.

The only reason for an emergency act is to have stand-by powers to deal with something that needs to be dealt with when events are crowding around in a way that make it impossible to wait for parliament to be convened in the ordinary way. The only justification for giving the government emergency powers at any time is that the very pressure of events, the demand for immediate action makes it essential that the government should not wait to convene the people's representatives to pass laws that would be required. No such emergency from that point of view arose in this case. In fact there was every reason why this act should not have been invoked for that purpose.

Over and over again the government has said that it was not prepared to deal with communist activities in this country by any law that would deal with those particular activities as such. Let us for the moment disregard the merits or otherwise of that argument. From the government's point of view, let us accept their contention. They say in effect, "You cannot define communism." They say in effect. "We must not under any circumstances exercise anything in the nature of thought control; we must not do anything that will impair the freedom of the individual to think and to express his thoughts." Having said that in the house and having refused to let parliament pass on laws which would define offences of this kind in the way they should be defined,

the government then say, "Although we cannot define the offence, we will not let people work because they have offended and are doing things that we cannot define."

Either there is an offence that can be defined, or there is not. If there is, it should be covered by our Criminal Code; if there is not, it should not be in the hands of this or any other government to deny to any Canadian or any other free citizen the right to work and maintain his family by his work.

This is not a case of the degree of confidence in the government. We would indeed be very strange on this side of the house if we expressed too unrestrained confidence in this government after some recent events. Nevertheless if we were in the unusual situation that notwithstanding all the disclosures there have been of the way in which this government has acted behind closed doors, we were prepared to say that this government is so good, this government is so reliable and this government is so efficient that we will delegate to the government all the powers conferred upon us under our constitution by the people of Canada, then I would say that we would be denying our right to sit here in this house of parliament if we said that this government at any time, secretly and without any definition of the offence, was going to be able to say to any individual whether or not he has the right to work. That is exactly what this means. That is exactly what these orders in council provide.

It is not enough to say to us, "You wanted action in regard to communism, and this is one way we can deal with it." If we are going to deal with communism—and I for one believe we should under laws which clearly define the offence, not under that name but under the nature of the offence—then I say that should be done by parliament and should be considered with the utmost care before the freedom of any individual is placed in jeopardy. Certainly there was no emergency of the kind described in the preamble which justified the use of this act in that way.

Then the other order in council was one which partially revoked an emergency powers order dealing with the handling of grain. Events are not yet crowding in around us in a way that denies us time in this parliament to deal with the way in which grain should be handled. Let the government bring before this house such legislation as is required to deal with grain of any kind or with other food products, and let this house determine what powers the government shall have to deal with matters of this kind.

The recital of the orders in council which were passed demonstrates perfectly clearly that during the past year the government did not need this act on a single occasion. It should not have used the act to deal with the subjects which are covered by the orders. Therefore the government themselves have demonstrated that during the past year, with all its international strains and pressures, they really did not need this act. What is there that they see looming ahead within the next few months that calls for the re-enactment of legislation of this kind? That is something that should be before the members of the house before we take a single step along the road of delegating our responsibilities to the executive.

The Emergency Powers Act provides that the government may take such steps as are necessary to stabilize and safeguard the economy as well as to protect this country. These are strong words. On the surface they have an appeal, but let us see what really could happen in a case of this kind. Let us see what the record of the government is under wide-open powers and consider whether we should not say right now, before a single step is taken, that the members of this house do not think this government should have any power whatever which is not clearly defined by law, except from a purely administrative point of view.

Let me give an illustration of the kind of thing this government has done where it had power to act by order in council. Hon. members will recall a man named Kurt Meyer. We are still waiting for some reasonable explanation of why that German general, sentenced to death, was spirited out of the country by order in council which permitted him to get back to his homeland before the members of this house knew that steps of that kind were being taken. Whether Kurt Meyer should have been found guilty and condemned to death or whether he should not is not for us to say at this moment. Nevertheless Kurt Meyer had been found guilty and was in prison in this country. Parliament was sitting. Parliament was capable of dealing with the matter but the government, without consulting parliament, meeting behind closed doors, spirited out of the country a man who had been found guilty of responsibility for the cruel and merciless way in which a number of young Canadian soldiers were killed during the last war.

Let us take another case, perhaps not so tragic in its impact, perhaps not so dramatic in some aspects although more dramatic in others. Let us recall what happened to the ships which were so generously provided for

the Ming Sung company to carry contraband up and down the Chinese coast. That has very much to do with whether hon. members should be prepared to extend wide-open powers to a government without any restraint and definition upon those powers. Hon. members will probably recall the first incident connected with the Ming Sung ships and the money which this country will lose as the result of the activities of the government.

It will be recalled that on April 7, 1949, the estimates were before the house, and there was an item in the estimates calling for the payment to certain companies of sums which were due in connection with the construction of those ships. It was the opinion of the law officers of the crown that the right of the government to act in the way it had was open to question. For that reason an item was brought forward in the estimates and not only dealt with as the provision of a sum of money to carry out this obligation but also to provide in this interesting way the statutory power to do what previously the government had no right to do.

It was pointed out that there was no legislation under which the government had any right to undertake an operation of that kind. It was pointed out that the item in question not only provided money but in effect was the first legislation before the house giving the government any authority for this strange and, in the end, disastrous transaction. This was the answer on behalf of the government as recorded at page 2433 of *Hansard* for April 7, 1949:

> We are coming to parliament and asking it to approve or disapprove. If parliament disapproves, the government is defeated. If parliament approves, the item will be confirmed by parliament. But it will not be permitted to stand. It will be dealt with now.

That, of course, is an example of the moderate and very reasonable way in which the government has dealt with matters of this kind from time to time. "You are going to deal with it no matter whether or not there is any law. This is the law"—and they might have added, "In our opinion we are the law." The item was passed, and that was the authority for the payment at that time in connection with this strange transaction.

Then, as we know, these ships got into western Pacific waters and were being operated by the Ming Sung company. That company had its head office in what is now communist China, and so that the ships might operate conveniently for the communist government a Canadian subsidiary, the Ming Sung Company of Canada Limited, was incorporated and given the authority to operate these ships. Then just in case they should find any trouble in rendering assistance to the communists along the Chinese coast, the government gave the unusual permission to this company to operate the ships without the usual provision that Canadians would be in charge of them. They went further, and just so that every convenience would be provided for these ships trading with communist territory it was provided that the Canadian flag would be used on them; and though we asked over and over again that this authority be withdrawn, it was only recently that we learned that some months ago it was withdrawn at a time when the withdrawal had no earthly effect one way or the other.

Mr. Garson: I wonder if I might interrupt my hon. friend for a moment on a point of order. I am sure we are all very much interested in this description he has given—

An hon. Member: You should be.

Mr. Garson: —but I would point out that the orders in council he is discussing—and I think he will admit this—were not passed pursuant to the Emergency Powers Act at all. Surely, sir, upon a motion that Mr. Speaker do now leave the chair my hon. friend should at least restrict himself to a discussion of the orders in council that have been passed under the act which we are seeking to extend. I would submit that the remarks he has been making for the past ten or fifteen minutes have all been out of order.

Mr. Ferguson: They are hard to take, too.

Mr. Drew: I have made no suggestion that the order in council was passed under the Emergency Powers Act. What I am pointing out is the way in which this government has exercised wide-open powers, and I will go further and say that at a subsequent time the government gave this strange authority without even an order in council. They gave it by an oral direction. That is one reason I feel that hon. members should be particularly careful in extending to this government any such special powers as are provided by an act of this kind.

Mr. Speaker: Order. On the point of order raised by the Minister of Justice, I agree with him that the orders in council which are passed under the provisions of the legislation are the ones, if any, that should be discussed. I do not think I can object to the Leader of the Opposition referring to other orders in council that have been passed, but they should not be referred to in great detail nor become subjects of discussion.

Mr. Drew: I do not propose to refer to them in detail. I was pointing out that in

this case the government had acted in relation to this particular transaction, which results in a loss of $12·5 million to the taxpayers of Canada, without any attempt to place before parliament, which was sitting regularly from time to time, the subject matter of this extraordinary transaction. The Minister of Transport (Mr. Chevrier) even reached the point of failing to comply with existing legislation with regard to the tabling of orders.

Mr. Speaker: Does not the hon. gentleman think he is perhaps getting away from a discussion of the orders which would be allowed under this legislation?

Mr. Drew: I do not say this in any way to dispose of what you have just said, Mr. Speaker, but I have made the point I wished to make. What I am pointing out here is an example where the government, by a contract of this kind, has lost $12·5 million of the taxpayers' money and has greatly assisted the communists in China by handing them these ships in this manner.

Mr. Garson: I am rising to a point of order, Mr. Speaker. There is no objection in the world to my friend referring to this subject at the proper time. If he raises it in this particular debate, we might desire to go at great length into a discussion of the Ming Sung affair—

Some hon. Members: No fear.

Mr. Garson: —but under those circumstances the debate in this house would get a long way from the point we are discussing. All the discussion would be entirely beside the point, and that is why I feel the hon. member should confine his remarks to the subject before the house.

Mr. Drew: I can assure the Minister of Justice (Mr. Garson) through you, Mr. Speaker, that there is nothing I would welcome, and I am inclined to think many hon. members would welcome, more than an extended discussion of this subject by the government. We have been waiting for a long time to find out what does lie behind this utterly tragic transaction.

Mr. Speaker: Order. Of course I could not allow such a discussion at the present time. I think I have made my ruling clear, which is that I cannot object to a reference being made to other orders in council but a discussion of them definitely would not be in order at this time.

Mr. Drew: I have pointed out why I think hon. members in this house should decide now that they are not going to take a single step delegating their responsibilities under our constitution to an executive which does not justify such a delegation of powers, even if under our principles of parliamentary procedure such a delegation could ever be justified, as I submit it could not at a time like this. Let us remember that in war, insurrection or events of that kind, real or apprehended, there is legislation now on the statute books which the government could invoke at any time if it found it necessary to deal with a situation which we cannot anticipate at this time. Anything short of that affords plenty of time for this parliament to be called together. Anything short of that demands that this parliament should be called together to determine what will be done about any matter of major importance before action is taken.

Mr. Garson: Will the hon. member permit a question? The legislation to which he refers as being on the statute books at the present time; is that the War Measures Act?

Mr. Drew: Certainly. That is the legislation which the government pointed out could be used in the event of war or insurrection or apprehended disturbances of that kind calling for such action. Not one of us wants to see legislation of that kind invoked unless circumstances justify it. But the circumstances which would make it impossible for the members of this house to come together, circumstances relating to events of that kind which would deny the ordinary opportunity to consider legislation, are circumstances, as the government has pointed out, which would give the government power to act under legislation of that nature. I am not suggesting for one moment—and I do not want any distortion of my words to appear in the record subsequent to my remarks—that the War Measures Act should be invoked at this time or under circumstances similar to those which now exist. On the contrary, I am emphatic that it should not be invoked. I am emphatic that no emergency powers should be invoked or put on the statute books of this country which would delegate to the executive powers which at this time could be handled in the ordinary way by parliament.

This is not something that affects Canada alone. This is not something for our parliament alone. Most of us, I suppose, would have a fairly comfortable feeling of confidence that we had a deeper perception of the principles of parliamentary government than countries which only recently have acquired parliamentary government. I suppose, for example, that all of us in this house would confidently assert that we had a better appreciation of the principles of parliamentary government than members of parliament in Iran. Yet let me recall an incident that took

place just a short time ago to point out that this is a subject that has to be dealt with in different countries from time to time. On January 18 of this year the speaker of the Iranian house resigned because he refused to put before the house an emergency measure which would delegate to the executive powers which he claimed had been conferred by the constitution upon members of parliament.

Doubtless there are refinements in the constitution which make a distinction between the position of the speaker in that house and the position of the Speaker in our own. Nevertheless, with those refinements and differences, it is worth while recalling what the speaker of the Iranian house said at the time he resigned because of the demand that he place before the house an emergency act that would delegate the powers of parliament to the executive. I refer to a report in the New York *Times* of January 19, with the dateline Teheran, January 18. The report reads as follows:

> The speaker said the constitution provided for a separation of powers—that is between executive and legislature—and a violation of that principle would mean submitting to autocracy and despotism and re-establishing dictatorship in Iran. As the plenary powers bill violated that principle (by putting legislative powers in the premier's hands) Mr. Kashani declared it could not be placed on the agenda. The fact that such a bill was approved five months ago, he said, was no excuse for repeating the mistake.

I am simply reading this to point out that in other jurisdictions, and even in a country where democracy is still comparatively new, the principle has been recognized that it is not proper in anything approaching ordinary times for the elected representatives of the people to delegate their responsibilities to the executive, and in that way to deny to the people who elected them the protection that is afforded by keeping the functions of the country under the control of the elected representatives.

I assure you, Mr. Speaker, there are no invidious comparisons between this house and that house in respect of any aspect of its function. I am indicating that a very clear principle has been asserted there, as it has been asserted in the British House of Commons, as it has been asserted here on many occasions in the past and as I hope it will be asserted by members of this house at this time.

Without mentioning the debate and without mentioning the subject that was under discussion, may I say that I recall the extremely interesting comment that a certain member would like to oppose a measure but that, although he would like to do so, he could not vote against the government. I am not going to attempt any definition of the state of mind that statement indicates; apparently there has been some objection to that procedure. But I indicate that there has been on the part of some members a reluctance to assert their authority.

May I reassert the proposition that the genius of our parliamentary system lies in the recognition of the principles which guarantee to the people of Canada the truth of the general statement that democracy is government of the people and by the people through their elected representatives in parliament. Government by the executive is not democracy. By this bill we are asked to suspend democracy at a time when throughout the world democracy is challenged as it has seldom been challenged before. I submit, Mr. Speaker, that we should not take one single step toward suspending democracy here in Canada, no matter what assurances we may have as to the good intentions of the government.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I believe we should clarify our standing order with regard to debates on resolutions of this kind so we would not have the situation which has developed here today and which has developed on other occasions; that is, a controversy as to whether a debate on the subject matter of the resolution is allowed on the motion for the Speaker to leave the chair.

I should like to draw to the attention of the house the fact that the motion for the Speaker to leave the chair is one that may have to be settled by a vote. Surely the members of the house, before having to vote on a matter of that kind, should know for what reason we want the Speaker to leave the chair. As the matter stands today, we want the Speaker to leave the chair in order to consider a motion for the continuation of emergency powers. It seems to me that when the members agree to that motion without a discussion, they are in fact agreeing that it is desirable to have a continuation of these emergency powers.

I see that the Minister of Justice (Mr. Garson) shakes his head. When it comes to a matter of interpreting procedure in this house, may I say that while I have a great regard for his legal training I prefer my own point of view. I believe I can bring to the matter as much logic and experience as he can, if not as much legal training.

Mr. Knowles: Don't be so modest; you can bring a great deal more.

Mr. MacInnis: My wish would be that we clarify our position either by a new standing order or by some other procedure of that

kind. Let me point out that when a similar resolution came up for discussion in 1951, without any debate or any hesitation whatsoever the Prime Minister (Mr. St. Laurent) spoke for the resolution. He was followed by the Leader of the Opposition (Mr. Drew), the leader of the C.C.F. group and later by the leader of the Social Credit group. Those proceedings took place on the motion with the Speaker in the chair. That measure was for one year. When the matter came up for consideration in 1952, at the last session, the same procedure was followed, namely discussion with the Speaker in the chair.

Why should there be such great hesitation about the making of a statement by the Prime Minister or, if he would rather have it that way, by the genial Minister of Justice (Mr. Garson), in the same way that one was made in other years? We would then know the purpose of the resolution. The reason for continuing the legislation would be outlined. As a matter of fact, if that were done I doubt whether there would be any need for an extended debate after the Speaker had left the chair.

I am pointing these things out—

Mr. Speaker: Order. I appreciate what the hon. member has said.

Mr. MacInnis: I am not raising a point of order, Mr. Speaker.

Mr. Speaker: I value what the hon. member has said, especially in view of his long experience in the house. I believe there is considerable merit in his remarks. One objection, however, is that the minister who introduces the resolution has no right of reply. He makes his statement. Hon. members then speak and express their opposition to it and ask for further information; but the minister who introduces it can do nothing about it because he has no right of reply. If the procedure suggested by the hon. member for Vancouver East (Mr. MacInnis) were introduced, I would think it might also be advisable to allow the minister to reply. That is merely a thought that occurred to me and I thought I should bring it to the attention of the house.

Mr. MacInnis: I do not think that would be a difficult matter, Mr. Speaker. As a matter of fact, in a debate of this kind, although the rules do not provide that the mover of the resolution should close the debate, I believe he could do so with the consent of the house. I do not believe the house would at any time refuse to give that consent to whichever minister was moving the motion. But then again, that is merely a matter of procedure; and surely we should deal with procedural matters in such a way as to facilitate the business of the house.

I would much prefer to have heard the Prime Minister (Mr. St. Laurent) make a statement on this matter because it would help me to make up my mind whether there is reason for continuing this legislation at the present time. I cannot follow the Leader of the Opposition (Mr. Drew) in his violent objection to continuing it now because that objection was not put forward at the time the emergency powers were adopted in 1951, nor at the time of their extension in 1952. The world situation has not greatly changed since that time. But there is a point on which I agree with the Leader of the Opposition.

Mr. Drew: I do not want to interrupt the hon. member, but at the same time I do not want the record to be incorrect. We objected strenuously to this measure both in 1951 and in 1952.

Mr. MacInnis: For the benefit of the Leader of the Opposition, may I say that I was basing my opinion on *Hansard*. I find that the resolution carried in both sessions without any formal vote, or without even any mention of "on division".

Mr. Drew: No; that is not correct.

Mr. MacInnis: The Leader of the Opposition says that is not the position. But in 1952, at the conclusion of the speech of the hon. member for Winnipeg North Centre (Mr. Knowles), who was the last speaker, the record shows that the motion was agreed to.

Mr. Diefenbaker: In 1951 it was passed on division. The date is March 6, 1951.

Mr. MacInnis: I do not see it.

Mr. Diefenbaker: It appears on page 981 as follows:

> Is it the pleasure of the house to adopt the motion?
> Some hon. Members: Agreed.
> Mr. Drew: On division.
> Motion agreed to on division and bill read the third time and passed.

Mr. MacInnis: We are talking about two different things. The hon. member for Lake Centre is talking about a bill that was based on the resolution; I am talking about the resolution itself. On page 533 of *Hansard* of 1951 I find the following:

> Motion agreed to and the house went into committee, Mr. Dion in the chair.

I do not see that there has been any change in the international situation since that time. If the events of the last few days develop as some people are afraid they may, perhaps the situation is more grave now than it was even in 1951.

Emergency Powers Act

When the Prime Minister (Mr. St. Laurent) spoke to the Emergency Powers Act resolution on February 20, 1951, he referred to a brief that had been presented that morning by the four central labour bodies, namely, the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the Canadian and Catholic Confederation of Labour and the dominion joint legislative committee of the railway transportation brotherhoods. He quoted a paragraph from their brief, which I should like to quote now, as reported at page 497 of *Hansard*:

> The free world now faces the most ruthless and powerful aggressor in history. The best it can hope for is long years of heavy defence expenditures, a large proportion of its manpower and resources diverted from productive work to a great effort for sheer survival. In this effort Canada must play a major part. We have no choice. The enemy is no longer at a safe distance. He is on our northern doorstep. Our share of the free world's industrial potential is large and important, far larger and more important than at the outbreak of war in 1939. If we fail or falter, our allies may be critically weakened, and disaster may overwhelm us all.

The Prime Minister put that forward as the view of organized labour in this country, and I agree that it was a very clear outline of the situation as it then existed. The Prime Minister said he felt that that was the view of the Canadian people, or a large portion of them. He then went on to say why the government was taking this action instead of invoking the War Measures Act. He said the government took that action because of the psychological effect that the invoking of the War Measures Act might have.

Because of the little use the government has made of this legislation in the last two years, and because of my understanding of how the War Measures Act could be invoked if an emergency arose, I believe the government could act just as quickly by invoking the War Measures Act as they could by exercising their powers under this legislation. Therefore for this reason there is really no necessity of having emergency legislation on the statute books while the War Measures Act regulations are in suspense, as it were. They may be invoked and used as quickly as these regulations.

In other years the members of this group supported the resolution. That was particularly true when it came up first in 1951, because we felt that the legislation could be used in a way in which it was not used. That is, it could have been used for controlling prices which at that time were climbing fairly rapidly and putting a heavy burden on a great many of our people. The government did not use it for that purpose. They let prices rise and permitted those people to suffer.

The point I wish to make now is that so far as we are concerned there is one factor that has been removed, because prices are becoming more stabilized and they are not likely to start rising in the near future the way they have done in the past. In any case, since the government did not use the powers they had to protect the interests of the small people, I do not think there is any reason so far as we are concerned to give them an extension of this legislation. Therefore I am in a quandary with respect to making a definite statement as to whether or not we need these emergency powers at the present time. If the Prime Minister had made a statement I am sure he would have helped me, and I think those behind me, to make up our minds.

Perhaps I can close these few words, that have not been very enlightening, by quoting a short paragraph from the speech of the hon. member for Winnipeg North Centre (Mr. Knowles) when he concluded his remarks in the session of 1952, as reported at page 2576 of *Hansard*. I should like the government to know the underlying reason why we supported the emergency powers legislation at that time. The hon. member said:

> It is our contention that in giving these powers to the government parliament is not simply giving the government a convenient way of dealing with ordinary matters; parliament is giving the government power to deal with extraordinary matters. The extraordinary situation, both on the defence front and in terms of economic matters here at home, is the reason for legislation of this kind. We support the legislation, but we call upon the government to make use of it in the interests of the Canadian people.

I said before that the government has demonstrated in the past few years that it is not going to make use of it for the benefit of the Canadian people, and we would hope that they might find some way of dealing with whatever emergency situation exists at the moment other than through an extension of the Emergency Powers Act.

Mr. Solon E. Low (Peace River): Mr. Speaker, I am not convinced by anything I have heard thus far that the government needs an extension of this act. That does not mean to say that I may not be convinced before the debate is over. However, I would have been in a much better position to judge of the government's need had I been able to hear a statement by the Prime Minister (Mr. St. Laurent) or the Minister of Justice (Mr. Garson) before I rose to say anything about it. I did listen very attentively to the Leader of the Opposition (Mr. Drew), and I must say that he impressed me with his reasoning. I will have to hear a pretty good

speech from the Minister of Justice (Mr. Garson) before I shall be able to lean his way.

Let me make clear in just a few sentences, if I can, how I feel about this whole situation. The reason a government asks emergency powers at any time is to have stand-by authority to take immediate action to meet an emergency. That is particularly true while parliament is not in session. I am ready to grant those powers to the government at any time, and I think in the past I have taken that position with respect to the government's requests.

On the other hand, when it is possible for the government to call parliament into session to deal with a situation concerning which there is no particular emergency, I am opposed to delegating to the executive powers that members of parliament should exercise, so that the executive can exercise those powers as a convenience.

I think the situation was summed up very well last year by the hon. member for Winnipeg North Centre (Mr. Knowles) in the quotation the hon. member for Vancouver East (Mr. MacInnis) just read. He expressed what I have in mind, and in much better terms than I could express it at this time.

I am opposed to having the executive of this parliament exercise emergency powers as a convenience to do things that are just ordinary, and that do not need to be done in order to meet an emergency. I do not think that is good government; it is a denial of democratic principles. And on our part as representatives of the people, and as legislators, it is a shirking of our responsibility. The people expect us not to do that sort of thing.

In his contribution to the debate the Leader of the Opposition outlined what was done last year under the act. If I am to judge from that, then I would say the government did not have very much use, if any, for the Emergency Powers Act last year. It looks to me as though they used it as a convenience to do ordinary things, and not by any means as a necessity.

If this is so I am tempted to ask this question. Why in the world should we grant the government an extension of a measure to do the same thing next year? On the other hand, in honesty one is bound to say that if the situation last year were such as to make it essential that we grant these emergency powers to the government, then in logic we would have to say that the international situation has not changed sufficiently to warrant our withholding those powers this year. That, of course, is an argument on the other side.

Under the circumstances I think I shall withhold my judgment until I hear what the Minister of Justice has to say. I warn him again that he will have to make a pretty good speech if he wishes to convince me that we should grant the government these powers again this year, particularly in view of the fact that there is now on the statute books the War Measures Act which the government can invoke to meet any emergency which may arise. Therefore I shall withhold my decision until I have heard the minister.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in my opinion this resolution is of great importance to the parliament of Canada and, more particularly, to the Canadian people. The issue raised by it is perhaps one of the most vital to be faced at this time.

I regret that although the resolution stands in the name of the Prime Minister (Mr. St. Laurent) he has not seen fit to make any explanation in opening the debate, and apparently is not greatly interested in the discussion. He may have appointments elsewhere, but I am sorry he is not in the house to hear the debate on this resolution which, I repeat, stands in his name.

I say the resolution is of great importance because it involves our whole structure of parliamentary government. As hon. members know, since 1914 we have had on the statute books of Canada a very unusual measure known as the War Measures Act. It became necessary to enact such legislation at that time, upon the outbreak of the first great war. It is not the kind of legislation liked in a country operating under a democratic system of government, because it gives far-reaching powers to the cabinet, as distinct from parliament.

In effect it takes away from parliament the right to consider a wide field of subjects. We all agree that it is the type of legislation which should not be used to any great extent. The act governs not only the eventuality of the actual outbreak of war, invasion or insurrection, but also covers apprehended war, invasion or insurrection. Action is taken under that legislation by the cabinet of the day sitting behind closed doors, with no opportunity for debate and very little opportunity for the public at large to keep in touch with what is enacted, which is one of the very serious objections to governing a country by order in council.

At the end of the war, in 1945, another measure was passed which was supposed to replace the War Measures Act which had been in effect by proclamation from early in September 1939 until this new legislation

in the winter of 1945. The new act was known as the National Emergency Transitional Powers Act, and came into force on January 1, 1946. It contained practically all the powers of the War Measures Act, and we understood at the time would be in effect for only a short time, until there had been an adjustment of the various problems brought about by the war. However it remained in effect until another act was passed, in 1947, known as the Continuation of Transitional Measures Act which was assented to on May 14 of that year and was to continue in effect until April 30, 1951.

That measure continued as law a group of orders in council which had been passed either under the War Measures Act or the National Emergency Transitional Powers Act. When the bill was first introduced there were 57 orders in council listed in the schedule, and for that reason it became known as the Heinz bill. As it went through the house some of the orders in council were dropped but the bill still retained its name. As I said, it stood until 1951.

Then on March 21, 1951, another bill was assented to known as the Emergency Powers Act which has been in effect ever since. This resolution now before the house is asking for legislation which will continue the Emergency Powers Act in effect until May 31, 1954.

The Leader of the Opposition (Mr. Drew) has pointed out already the powers given to the cabinet under the Emergency Powers Act, and I do not intend to repeat his statement in that regard. But I do point out that the powers contained in the Emergency Powers Act are nearly as far-reaching as those in the War Measures Act. When one examines carefully the terms one realizes that the Emergency Powers Act contains very far-reaching powers.

I suggest to you, Mr. Speaker, to the house and to the Canadian people that the time has come to restore the supremacy of parliament. Let us put whatever powers are needed by the government on the statute books, rather than letting these powers be exercised by the cabinet sitting in secret behind closed doors and passing orders in council. Let measures be brought down in the ordinary way and be debated in this house. By the time a measure has been debated here most of the merits and failings will have been gone into pretty thoroughly, and each of us will be in position to know whether the legislation is good or bad.

This process of debate has another great value in that it is reported by the press gallery and distributed to all parts of the nation. The people out in the constituencies are able to keep accurate track of what is being said in the house and thereby to judge for themselves the merits or demerits of a measure. I suggest that that is one of the strongest points in a democratic system of government. But you lose all that when you allow legislation to be enacted by order in council.

How many times were Canadians brought up in court and fined or sent to prison for failure to comply with the terms of an order in council about which they knew nothing. Time after time a man would be charged for a breach of some order or some regulation passed under the provisions of the War Measures Act or one of the acts which superseded it after the war. That Canadian in many cases had no chance at all to know whether or not he was breaking the law.

Mr. Garson: Will the hon. member not agree that there has not been a single instance of that character under the Emergency Powers Act?

Mr. Green: If there has not been an instance of that character under the Emergency Powers Act it is because the government has not used the act. Therefore I cannot understand why we are asked to extend it for another year. I do not believe there was a lawyer in Canada who knew all the various orders in council or regulations which were in effect, and it was impossible to advise a client without a great deal of research. In many cases it was impossible to get the printed material in order to find out what the regulation was.

I believe these drastic powers should be taken out of the hands of the cabinet. This is a club—that is all it is—and it should be taken from the government. Ever since the War Measures Act was put into effect in 1939 we have had government by threat. There has been altogether too much government by threat. I have a very good example of this in a statement made by the Minister of Defence Production (Mr. Howe). We are always grateful for the statements he makes from time to time, because they usually tell the real story. On September 8, 1950, the minister was being interrogated about some of these powers while the house was in committee, and he replied, as reported on page 460 of *Hansard*, as follows:

> I suggest to the committee that a word from the government is more effective if there is a law in the background that can be applied in case the response is not all that may be desired.

There you have in the words of the most powerful minister in the government one of the main reasons why we object to legislation of this kind. We have had enough government by threat in Canada.

I had thought that the Prime Minister (Mr. St. Laurent) might argue that it was necessary to extend the Emergency Powers Act for another year in order to further our preparations for defence. However, he did not see fit to argue that or any other point, so I shall have to deal with the subject as though he had made that argument.

I suggest it cannot be argued successfully at the present time. Preparations for defence primarily involve the Department of Defence Production and the Department of National Defence. Two years ago this same Minister of Defence Production was wise enough to have all the powers he required, even in the event of war, placed in a statute known as the Department of Defence Production Act which was passed in the spring of 1951. That act, which is now law and which was debated on the floor of the house, gives the minister in question all the powers he would require even if this country were at war. I questioned the Prime Minister (Mr. St. Laurent) on that point on March 5, 1951, and the questions and answers will be found at pages 908 and 909 of *Hansard* for that date. The first one is as follows:

Mr. Green: Then may I ask the Prime Minister whether any further powers would be required to carry out defence production if we were actually in a third world war?

Mr. St. Laurent: I do not anticipate there would be.

Then further on I asked another question, and the passage reads as follows:

Mr. Green: The Prime Minister has said that this bill as presented contains all the powers that would be required in the event of a third world war.

Mr. St. Laurent: I would not want to promise the house that if we ran up against something where the courts said this was not good enough we would not come back to parliament; if we thought it should be done, we would ask parliament to authorize it; but I think the law officers have drawn this in language that should be sufficient to cover all the enabling powers apt to be required.

It so happened that I was trying to prove to the house that this was a war bill. The Prime Minister had not heard the early part of the discussion, and when I went on to point out that his very words proved that it was a war bill he became very indignant and there was quite a flurry. But there you have the Prime Minister's own admission that this legislation—

Mr. Garson: What is the date of that?

Mr. Green: March 5, 1951. You have the admission of the Prime Minister that the Defence Production Act of 1951 gives all the powers the department would require even in the event of war. The same Minister of Defence Production (Mr. Howe) in his capacity as Minister of Trade and Commerce has also had an act placed on the statute books known as the Export and Import Permits Act. There is this much to be said for him. He has brought these measures to the floor of the house and had them debated, and these measures have given him the powers he required. He has not tried to get these powers by order in council.

Then we have another example in the National Defence Act. Under that legislation the Minister of National Defence (Mr. Claxton) is given all the powers he could require. Therefore I repeat that there is no excuse on this ground for retaining the Emergency Powers Act for another year. Parliament sits far more frequently now than in earlier years. It is the practice to adjourn rather than prorogue so that members can be summoned here quickly. The requirements should be met by legislation passed in the ordinary way rather than by orders in council passed by the cabinet.

The fact is that this government have not the will to give up these wartime powers. They are addicted to arbitrary powers. Only two members of the present government have ever been in a cabinet at Ottawa which did not have these wartime powers of legislating by order in council. I refer to the Minister of Trade and Commerce and the the Minister of Agriculture (Mr. Gardiner). They are the only two cabinet ministers in the present government who have had any responsibility for running the country at a time when these drastic wartime powers were not in effect. The rest, from the Prime Minister down, have only known order in council government.

Seventeen years ago today parliament met for the first time after the 1935 election as a result of which the Liberal party took office. For only three and a half years of the intervening period has parliament been supreme in Canada and free of dictatorial powers resting with the cabinet. Now we are asked to extend this servitude of parliament and of the Canadian people for a further year without a cabinet minister even getting up to explain the justification for any such step.

Mr. Tustin: Shameful.

Mr. Green: Each year they come here and say: Oh well, we need these powers for another year; we cannot get along without these order in council powers. Just trust us for another year. We have been good boys for the last year. Then of course the silent majority of supporters surrounding them in the house whoop and yell, the bill goes through and the cabinet get these powers for one more year. I suggest to you, Mr. Speaker, that it is time the Canadian

people asked when this sort of business is going to stop. I am afraid the answer is, only when the present government is thrown out of office.

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

Mr. Green: Surely.

Mr. Sinnott: How many times were these emergency powers used in the last five years?

Mr. Green: I do not suppose the hon. member who has asked the question would have the faintest idea of what emergency powers are.

Mr. Sinnott: Would you mind answering the question?

Mr. Green: One of our greatest problems has been to find out how and when these emergency powers were being exercised. Quite often we have found many months afterward that a very important power has been exercised by order in council which has been kept secret. I doubt very much whether the government itself knows how many times these powers have been exercised in the last five years. But it is far too often. That is one sure thing.

Mr. Sinnott: It is quite obvious I have not an answer yet.

An hon. Member: Ask the Minister of Justice (Mr. Garson).

Mr. Garson: Mr. Speaker, if all those who wish to raise objections have done so, I believe it is my duty to answer the various objections, and I will be glad to endeavour to answer those that have already been made.

Mr. Knowles: On a point of order, the minister does not presume by what he is saying to close the debate?

Mr. Garson: No. That was the reason I was raising the point. I am really rising on a point of order because I do not wish to put myself in the position that I cannot answer any objection any member of the house may wish to make. If there are any others—

Mr. Diefenbaker: We are still waiting for an explanation.

Mr. Knowles: We have a right to hear from the government as to what they think about this legislation.

Mr. Low: It is not only a right; it is an obligation on their part.

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

Mr. Knowles: This is an insult.

[Mr. Green.]

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, this is a most interesting and revealing performance. The Prime Minister (Mr. St. Laurent) introduces the resolution and, no doubt for good reason, is not now in the house. The Minister of Justice (Mr. Garson) waits until arguments are advanced against the granting of powers before he will explain why the powers should be given. This is certainly an interesting innovation in this parliament. The government simply asks for blanket powers and gives no explanation as to why these powers are requested. One is in a position, therefore, of finding it most difficult to argue a case. One can only argue that the same reasons actuate the government today as were used by way of explanation in 1951. Certainly some of the conditions that prevailed in 1951 exist today.

At that time, as I read *Hansard*, the explanation of the Prime Minister as to the reason for these powers being requested was that the War Measures Act could not be used because the Canadian people might fear that was not justified by the facts. Another reason given was that it would be necessary to have these powers in order to fight inflation. No doubt the same arguments apply today, for the cost of living is much the same as it was in 1951, subject of course to the fact that in the last few months a face-lifting operation took place whereby the face of the cost-of-living index has been altered and instead of the cost of living being about 184 on the basis of 1939, the cost-of-living index today is some 115·7.

Mr. Knowles: One index goes down and the other goes up.

Mr. Diefenbaker: Yes, it is a most interesting performance. One of the reasons for asking for these extraordinary powers in 1951 was to meet this dread threat of the cost of living. It is merely a coincidence, Mr. Speaker, that this may be an election year, so the cost-of-living index was altered and does not look so bad. That was one of the reasons given, and I am going to deal with that.

Another reason was—I think the Minister of Justice (Mr. Garson) by his interruption of the hon. member for Vancouver-Quadra (Mr. Green) still has this in mind—that the government wanted the widest possible powers so that no matter what they would like to do, the law officers would have drawn a law sufficiently wide to cover the most extraordinary matters that might arise. The Minister of Justice laughs, but that was the explanation given by the Prime Minister in 1951, that the resolution was drawn in the widest possible

terms so as to assure that if the powers ever have to be used the law officers want them wide enough so that they can be used effectively.

On the motion for third reading of a similar measure last May, the Progressive Conservative party stated that the measure passed on division. At that time few members of parliament, if any, had read the judgment of the privy council in the Manitoba barley case, Nolan, Hallet and Carey. That was a most interesting case, Mr. Speaker. Some years ago the Minister of Justice was loud in his praise of our courts in Canada. You will recall that he said we had just as fine judges as there were in Britain.

Mr. Garson: Mr. Speaker, I rise on a point of order. I would be very much interested if my hon. friend could trace any connection between the Nolan case, under a totally different statute, with the single question of whether Mr. Speaker do now leave the chair to consider a resolution dealing with the Emergency Powers Act. I would suggest his remarks are entirely irrelevant and he should not be permitted to continue.

Mr. Ferguson: Talk about demanding power; you grab it on every occasion.

Mr. Speaker: I am sure all hon. members want to discuss the reasons why the Speaker should or should not leave the chair, and their remarks must be directly relevant to the resolution. I do not know how the hon. member proposes to relate the Nolan case to this resolution. I would like him either to do so or to discuss some other feature of the resolution.

Mr. Diefenbaker: I think the interruption from my hon. friend bears all the earmarks of a frivolous one, because the Nolan case deals exclusively with the question of what is an emergency. It dealt with an emergency under the National Emergency Transitional Powers Act, of which the present act is the direct descendant.

Mr. Garson: On a point of order, Mr. Speaker, it is not the topic now under discussion.

Mr. Diefenbaker: Have we arrived at a point where the only difference between the act under which the Nolan case was decided and the present one is a difference of name? It is the same old act with a new name. Surely, sir, we have not arrived at a point where the whole question of emergency cannot be discussed under this resolution, when emergency was defined by the privy council and the emergency is the same kind of emergency that is provided for in the present legislation. Indeed, the privy council referred in detail to the whole history of emergency legislation from the War Measures Act through the National Emergency Transitional Powers Act, chapter 25, 1945, and thence into the Continuation of Transitional Measures Act, of which the present legislation is heir-at-law with a different name.

Mr. Garson: Mr. Speaker, if I may rise to a point of order, I would point out to the hon. member, who does not seem to be aware of the fact, that the emergency which was invoked under the National Emergency Transitional Powers Act, and which was in question in the Nolan case, was the post-war emergency, and is clearly referred to in the judgment of the privy council as such; whereas it was made quite clear by the Prime Minister in introducing the legislation now under discussion in 1951 that the emergency which we are discussing is the post-Korean emergency.

Some hon. Members: Oh, oh.

Mr. Garson: That was agreed to by the Leader of the Opposition (Mr. Drew) during the debate in 1951, and when I have the opportunity of taking part in this debate I shall quote his statement.

Mr. Knowles: On the point of order, may I ask Your Honour to consider this aspect of the matter? The Nolan case was dealt with under another act because that happened to be the act on the statute books at that time. But supposing—I am not saying whether the government was right or wrong in the Nolan case because I have different views on the substance of the matter—the government had had to deal with the Nolan case when the Emergency Powers Act was on the statute books; would it not have had power to deal with it under that legislation? If that is the case, is it not relevant to the discussion of a measure which proposes to continue the emergency powers under which that type of action might be taken?

Mr. Speaker: I do not happen to have the Nolan case before me. I would have to read it through to determine whether or not the emergency referred to can be discussed under this act. I think it might be simpler, and probably in the interests of the dispatch of business, if the hon. member for Lake Centre (Mr. Diefenbaker) were allowed to continue.

Mr. Diefenbaker: I am very happy to have had the explanation now from the minister that the emergency that we are meeting here is the post-Korean emergency. Well, that is not what the Emergency Powers Act of 1951 says. What it says is:

> Whereas an international emergency exists that threatens the security of Canada;

And whereas it is essential that emergency powers be conferred to enable measures to be taken as urgently required from time to time to carry out adequate defence preparations,—

Nothing to do with a post-Korean emergency.

—to regulate the economy of Canada to meet the needs of defence and to stabilize the economy—

Nothing about post-Korea. This is a new explanation.

—and to safeguard it from disruption that may result from defence preparations in Canada or from emergency measures taken in other countries, in order that defence preparations may not be impeded; . . .

I am glad to have that explanation from the Minister of Justice (Mr. Garson), for it is the first time that we have ever heard that we are in a new kind of emergency. First we were in the post-war emergency of the transitional powers act. Then we were in an emergency that the Prime Minister described as one that needed action in reference to inflation and one or two other matters. Now we are in the post-Korean emergency.

Mr. Graydon: The pre-election emergency.

Mr. Diefenbaker: I am now going to refer to the emergency doctrine at the time my hon. friend the Minister of Justice gave the house the benefit of that sage observation as to the nature of the emergency. I was dealing with the question of how this case found its way to the privy council. When the right of appeal to the privy council was abolished, my hon. friend said that our courts in Canada knew conditions in Canada; that these courts were composed of outstanding men—and there was no argument about that fact—and he pointed out that in Britain there was a court that did not understand our conditions.

Mr. Garson: On a point of privilege, Mr. Speaker, may I say that my hon. friend has attributed to me remarks which I have not made. If he would just kindly refer to exactly what I did say, I should greatly appreciate it.

Mr. Diefenbaker: At the moment I have not the reference before me, but I am saying that is what the Minister of Justice said; and I will produce the record.

Mr. Garson: Produce it now.

Mr. Diefenbaker: I am not going to enter into any argument about the matter. He claimed that if you appealed cases to the privy council, you weakened the prestige of the Supreme Court of Canada. Then the first thing he did—

Mr. Speaker: Order. I cannot see how that matter has any bearing on the resolution before the house at the present time.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Well, Mr. Speaker, he got there. After creating this final court of appeal in Canada, he appealed the case that his department had lost before the—

Mr. Speaker: Has that matter any bearing on the resolution? I greatly doubt it.

Mr. Diefenbaker: I will put the matter in this way, Mr. Speaker, and then there can be no objection. The courts in Canada—the trial court in Manitoba, the appeal court of Manitoba, and the Supreme Court of Canada, with the exception of two dissenting judges, Mr. Justice Kerwin and Mr. Justice Estey—generally came to the conclusion that the cabinet was not supreme and that its declaration of an emergency was not of itself sufficient to permit the interference with property and civil rights in the provinces; whereas, as you know, Mr. Speaker, under the doctrine of emergency the dominion government may invade the jurisdiction of the provinces, may interfere with property and civil rights, may destroy the fine balance of the constitution. The courts in Canada held that the courts were still supreme and that if a government were to make a declaration, through the governor in council, that an emergency existed, the courts could still examine—some of the courts so held—the matter in order to ascertain whether there was such an emergency or whether or not the order in council fell within the ambit of the powers granted under the transitional powers act. But when the matter came to the privy council, the privy council—of course, being far removed from Canada—examined the situation, and its judgment is as follows, and it is most interesting. It is recorded in 1952, 6 *Western Weekly Reports*, new series, part I, at page 23 and following. I want to point out one or two things that the privy council held.

Mr. Garson: May I ask my hon. friend at what page the report starts? I am following from another manuscript.

Mr. Diefenbaker: Page 31. I do not know how we are going to synchronize our reading, Mr. Speaker.

Mr. Garson: Where does that report start?

Mr. Diefenbaker: I am at page 31.

Mr. Garson: Where does the report start?

Mr. Diefenbaker: The report starts at page 24.

Mr. Knowles: That is seven pages along.

Mr. Diefenbaker: There may be different sizes of pages.

An hon. Member: This one is more accurate.

Mr. Knowles: One is the first copy and the other is the official copy.

An hon. Member: You have a government copy.

Mr. Diefenbaker: Mr. Speaker, we have reached the point where we not only cannot agree on the law but cannot even agree on the location in the law book.

To get back to the point I was making, the privy council, when it referred to the economic power granted under the regulation, held as follows:

> How, then, can a court of law decide that the vesting—

That is the vesting of property.

> —was for another and extraneous purpose or hold that what the governor in council has declared to be necessary is not in fact necessary for the purposes he has stated? There is no warrant at all for presenting this as a case in which powers entrusted for one purpose are deliberately used with the design of achieving another, itself unauthorized or actually forbidden.

Then after finding that the court must accept what the order in council says, namely that there is an emergency, it finally says this at page 36:

> For here the words that invest the governor with power are neither vague nor ambiguous; parliament has chosen to say explicitly that he shall do whatever things he may deem necessary or advisable. That does not allow him to do whatever he may feel inclined, for what he does must be capable of being related to one of the prescribed purposes, and the court is entitled to read the act in this way.

Then it goes on finally to say:

> If rights so historic as a man's right to sell his labour where and at what price he pleases or a man's right to use his own property in his own way are avowedly placed under the governor in council as subjects of control and regulation, what peculiar sanctity can the law give to the ownership of consumable goods, so that this particular form of private right is to be exempted from any action in pursuit of the authorized purposes?

What it says finally is this:

> Yet this is an enactment framed for the purpose of meeting an emergency that imperils the national life; it authorizes action over the whole economic field and extends to purposes outside the territory of Canada herself; it embraces purposes such as the maintenance, control and regulation of supplies, prices, transportation, the use and occupation of property, rentals, employment, salaries and wages, which have no meaning if they do not involve—

And I emphasize these words.

> —a deliberate and consistent interference with private rights, including private rights of property. And the power of the executive to pursue these purposes, while the national emergency continues, is conferred by parliament without express reservation and in the amplest terms that statutory language can employ.

That is exactly the situation in the present legislation. When the present legislation was passed in 1951 the decisions of the courts were against the executive having these powers. The Manitoba case had been decided. When, on May 26, 1952, these powers were renewed in this parliament, the wording of the decision of the privy council was not before parliament and no hon. member had any conception of an interpretation such as that being given to the powers of the government.

This is a serious situation. When a government, power hungry in the days of war, persists in that attitude in the days of peace, the situation becomes serious indeed. The minister says now that the justification is the post-Korean situation. Well, if the post-Korean situation has indeed created an emergency of a state of war, as the Prime Minister said the other day, then the legislation is not necessary. The Prime Minister said the other day that we are at war. If that is so, then the legislation is not necessary and certainly there can be no justification for the government asking for the abdication of parliamentary control and giving to the executive of this country the power to control every type of business in Canada, the power to deny an individual an appeal to the courts, the power to do absolutely that which parliament itself would permit only in the gravest situation and under the most serious conditions.

I am not going to read what the Leader of the Opposition read but I ask you, sir, where is there anything in the present situation that would justify a government interfering with provincial rights in this country to the degree to which the powers under this legislation will permit? What is there today that will countenance a government, by a majority of parliament supporting it, rewriting the constitution year by year and so continuing to invade the field of provincial legislation? That in effect is what is being done. Here are the powers. And before I read them again I point out that the Nolan case says that the courts can no longer look at the question as to whether there is justification for the preamble in which the emergency is declared. What the judgment means, in effect, is this: If we pass this power there is no control in Canada over any business that the government cannot and may not with the authority of parliament do, thereby varying the principles of our constitution.

We shall give them the powers they need. The answer of the Prime Minister last year was that we need the widest possible powers because our law officers want them so wide that they cannot be challenged. That is going a long way. In other words, it is in effect placing parliament in a position of conferring

right that will not be challengeable and certainly today under the authority of this case are not challengeable.

Somebody may say that I overstate the case, Mr. Speaker. Let me quote from one who was qualified enough to speak before the Liberal federation. I refer to Professor Corry of Queen's university. This is what he said when he spoke to the Liberal federation last year as quoted at page 2566 of *Hansard*:

> The discretionary powers exercised by our government nowadays in time of peace are wide enough to cause concern.

These are the words of a friend of the Liberal party. These are the words of a speaker before the federation. He went on to say this:

> The practical certainty of cold war, if not actual shooting war, for an indefinite period means a still further substantial increase in the powers of the dominion government.

He is still using the expression "dominion" although it is ostracized in some circles. I continue:

> What is our answer to Abraham Lincoln's question: Is a government which is strong enough to deal with serious crises not also going to be too strong for the liberties of its citizens?
>
> If, as seems likely, we are to have a considerable measure of order-in-council government again, we should also be considering seriously the establishment of one or more committees of parliament to examine, not the substance and policy of the orders in council but the effect that the powers and procedures contained in them will have on individual rights and freedoms.

Mr. Pouliot: The hon. gentleman spoiled his speech with that quotation.

Mr. Diefenbaker: All right. I like to call as witnesses those who are regarded by my hon. friend as authorities.

Mr. Pouliot: Not at all.

Mr. Diefenbaker: I wonder sometimes why this government pursues this course. Why does it ask for powers such as these?

> (a) control and suppression of maps, plans and photographs;
>
> (b) control of communications and means of communication;

Why ask for the power to control harbours, ports and territorial waters? We can understand one or two of these. If we were in a situation of grave danger we could understand these powers being asked for, but we now know that our situation is just post-Korea. Then they ask for the power to control transportation by land, air or water and the control of the transport of persons and things. What more absolute powers have ever been asked for in the days of war than these? Then they ask for the power to control trade, exportation, importation, production and manufacture.

Mr. Ferguson: Exploitation.

Mr. Diefenbaker: Are we to be placed in a position where parliament will abdicate those powers, where parliament will give away the rights of the provinces and hand to the government powers as though power were a bauble to be played with and the constitution an institution that can be changed by a simple declaration of government? Then they ask for power to control the imposition and recovery in connection with any scheme of control, of fees or charges. We are not going to object to that. These are the powers. They are even wider than that, as the Nolan case pointed out, because it says:

> The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada;

Then finally, in order to widen it as far as possible, it says:

> —and for greater certainty, but not so as to restrict the generality of the foregoing terms, it is hereby declared that the powers of the governor in council shall extend—

And so on, to the matters to which I have made reference.

These are dangerous powers. The minister says: We have not used them. The answer of the hon. member for Vancouver-Quadra was as effective as it was timely. Let me point out what another friend of the government, Mr. Gerald Godsoe, said. He was the co-ordinator of controls during the war. Speaking before the Toronto board of trade last year he said this:

> Probably the most dangerous development of all occurring today is the growth of the state control under our free enterprise governments, dominion, provincial and municipal. I refer to it as the most dangerous as we seem, at least in some measure, to be aware of the evils of communism and the fallacies of socialism, but I do not believe we have yet awakened to a realization of what actually is occurring and just how much it affects us, in the constant and continuous growth of our governments.

That, sir, tells its own story, when powers such as I have already pointed out are given to a government to control every business in this dominion. The minister says nothing in explanation of why such powers are asked for, but the quality of his interruption indicates that he has no realization of the immensity and the all-pervading influence of those powers.

Furthermore, unless we bring this trend to a stop there is going to be nothing in the years ahead to prevent any government, at any time, so long as it has a majority in parliament which will say that all is well,

from invading and infringing upon the rights of the provinces. Surely such action, acceptable during days of war, should not be permitted to exist today, particularly as regards two or three of the subsections to which I have referred. I think the time has come to put a stop to this attitude.

May I call it five o'clock?

Mr. Pouliot: Go on; you are in good form.

Mr. Speaker: It being five o'clock, under normal circumstances the house should proceed to a consideration of public and private bills. My understanding is, however, that the bills are to stand. I need only say, therefore, that there being no business to be considered in the hour for private and public bills, the house will resume the business interrupted. The hon. member for Lake Centre may proceed.

Mr. Diefenbaker: Mr. Speaker, I am not contending that there is a deliberate intention on the part of the government to secure dictatorial powers. But certainly, in view of the interpretation given to this question by the privy council in the Nolan case, there is a demand on the part of parliament that we should consider the powers here asked for. If the government is not prepared to accept a diminution of those powers, then, so far as parliament can achieve it, a stop should indeed be called.

Let me add this, that the use of powers asked for under this legislation would obviate the necessity of parliament's ever being convened during the period. We do not believe in a dictatorship. A book has just been published by a great British economist and political scientist, Professor Keeton, in which he points out that the elements of dictatorships are as follows:

1. A one-party organization in which, although there is a wide power of criticism within the party, no external opposition is tolerated;

2. An all-powerful executive, which can put into effect the program decided upon by the party, without substantial impediment or modification, especially that which might emanate from an independent parliament, and

3. An economy which is moulded within the framework of a comprehensive plan, and in which all the more significant activities are government monopolies, subservient only to executive control.

All those things, with the exception of the first, are possible under this legislation. The minister says that powers have not been used during the last year. If they have not, and during the last year we have been in the post-Korean emergency to which he referred, what is the justification for their being asked for again, particularly in view of the judgment of the privy council?

These powers permit of rigid dictatorship within the periods between sessions of parliament. These powers constitute a denial of the rights of the individual under the powers of the constitution. These powers invade the rights of the provinces. These powers make the government—and by the government I mean the executive, the cabinet—all-powerful in the country. I feel that we in parliament have a responsibility to end this trend.

Two years ago the Prime Minister said that one of the reasons this legislation was to be introduced was to afford an opportunity to control inflation. There has not been any use of the powers for that purpose of which I am aware. The government has had within its own power the opportunity to do something. It could do it through a reduction of taxation. It could assure, in part, the defeat of inflation by encouraging production.

These are alternatives to the powers the government is asking under this legislation, powers that are available to a government that is prepared to act. I ask the minister to explain in detail why the government today finds it necessary to continue to disregard the constitution, and to destroy the rights of the provinces as effectively during the period this legislation is in effect as though section 92, which grants powers to the provincial legislatures, had no effect whatsoever.

Why these powers? How are they to be used? When are they going to be used? I would ask the minister once again to give consideration to what Professor Corry referred to in the reference I made a while ago in which he dealt with the setting up in parliament of a committee similar to that in the British parliament, whereby members of all political parties have placed before them in that permanent committee all regulations and orders passed that in any way derogate from the rights of the individual.

Surely that is not asking too much. The hon. member for Vancouver-Quadra pointed out that no lawyer in this country has any idea of the orders in council that have been passed, and that because of this he finds it difficult to advise a client. As a member of the House of Commons endeavouring to follow these orders in council, I can say that I have no conception whatsoever of many of these orders in council, and what they stand for. Those are the orders in council that we know of.

There are also orders in council that can be passed on the instruction or upon the suggestion of the Minister of Trade and Commerce (Mr. Howe) or the Minister of Defence Production or whatever portfolio he may be described by at the moment. He

can have orders in council passed that are secret. Surely there is no justification today for that. He can pass orders in council that place, above the courts of law, those who are favoured under the order in council. He can pass orders in council to preserve, from any liability before the courts, any company or person in Canada who is liable in damages for failure to carry out a contract in connection with defence production, and that covers almost everything.

I sum up. First, let us put an end to this trend. We know now where it leads. We know now that it places the government above the courts because the law officers word the orders in council wide enough to cover any eventuality. We know now that only the government through the governor in council can determine whether there is an emergency, and whether there is or not may not be examined by the courts. As the hon. member for Vancouver-Quadra has stated, by that fact parliament abdicates its responsibilities and the courts have become in effect, under orders in council passed under this legislation, merely instruments to determine rights, but are denied the opportunity to investigate whether or not property and civil rights may be invaded or the liberties of the subject interfered with. Keeton has summed up the situation in these words:

> Behind the high sounding generalities of present-day politics, the issue is really a very simple one. It is whether we should accustom ourselves to the ant-like existence of the fully-integrated and planned state, or whether we believe that individual initiative and increased opportunity are more likely to produce more tolerable conditions of life for the bulk of our citizens. In the long run, it is impossible to preserve freedom of the mind when the power to choose has been removed from the citizen in more and more areas of his daily life. In the end, there will have been produced something approximating to the planned stagnation of the Chinese empire. That would be an odd fate for the people who built the common law and who were responsible for the Magna Carta, habeas corpus, and dominion status. Yet the threat is real, and the hour late. Our present predicament presents a challenge which it is impossible to ignore.

Surely parliament will not again in 1953 renew the grant of absolute power to a government now that the courts have determined that that government in the exercise of that power is above examination in so far as the determination of an emergency is concerned. If we adopt that attitude we in fact place the cabinet in the position of being restored to the same powers that cabinets had in the days of Sir Robert Walpole.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

[Mr. Diefenbaker.]

Mr. Knowles: Is the minister not going to speak?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I think possibly I should speak shortly to indicate the reason why in my opinion I should not speak on a motion of this sort. The question as to the method by which a resolution of this sort is introduced into this house was referred to His Honour the Speaker in 1952. After reserving it for consideration for some time he delivered his view concerning it, as reported in *Hansard* of June 18, 1952, at page 3374, in these terms:

> On May 20 the Prime Minister (Mr. St. Laurent) requested me to consider standing order No. 60 and to give my opinion as to its proper construction. On June 4 and 16 there were further discussions on this standing order, which reads as follows:

Then Mr. Speaker goes on to quote the standing order which it is not necessary for me to quote at this time. Then Mr. Speaker continued:

> All hon. members who have taken part in the discussions agree that the motion that the Speaker do leave the chair for the house to resolve itself into committee of the whole to consider a resolution preceding a money bill is debatable. In my opinion that is the correct view so long as subclause (a) of standing order No. 38 remains in its present form.
>
> The question on which there is some difference of opinion is the extent to which debate is to be allowed. This question was considered by Mr. Speaker Glen on the 23rd of February, 1942. At that time he ruled that the debate should be directed to the negative of the motion and should be general with no reference to details.
>
> I should point out that the motion is for the Speaker to leave the chair, etc. It is not a motion to adopt the resolution.

That is what my answer would be to the hon. member for Vancouver East (Mr. MacInnis). The adoption of a resolution takes place in the committee after the Speaker has left the chair and the house is in committee. I continue the quotation:

> However, under our present practice members have been debating it as if it were such a motion. The minister makes an affirmative statement, frequently going into details, with the Speaker in the chair, and other members follow. The result is that a full discussion of the resolution takes place at this stage. I am sure that is not the procedure contemplated by standing order No. 60, nor is it in accordance with Mr. Speaker Glen's ruling, in which I concur.
>
> After giving this matter my careful consideration I have come to the conclusion that if there is no objection to the consideration of the resolution in committee of the whole, the motion that the Speaker do leave the chair should be put without debate. If any members are opposed to the resolution, and do not think that it should even be considered in the committee of the whole, or if they require additional information before agreeing to the motion, they should be given an opportunity to speak on the motion.

As they have done today.

The minister should endeavour to answer the objections which have been raised and to give the information requested.

Mr. Green: Why did you not do that?

Mr. Garson: Let me finish the quotation.

Accordingly in my opinion the practice of the minister opening the debate on the motion for the Speaker to leave the chair for the house to consider in committee of the whole a resolution preceding a money bill should be discontinued.

When the discussion on this subject was before the house the other night a number of members expressed concern over the difficulty which the Speaker would have in keeping the debate within the limits of the above interpretation. I realize the difficulty but all I can do is to ask for the usual co-operation of all hon. members.

That is the rule of the house as it stands and as it has been interpreted at the present time by Mr. Speaker. Still dealing with the point of order, I would point out that the matter which was raised by the hon. member for Vancouver East, to the effect that the Prime Minister (Mr. St. Laurent) had followed a different practice when this act which we are considering renewing was introduced as a bill in 1951, would hardly apply because at that time this ruling by Your Honour had not been given. The Prime Minister was following the practice which prevailed at that time.

Then the hon. member for Vancouver East referred to the fact that when this bill was renewed a year ago the Prime Minister, in leading off for the government, got up to speak at once. But I would point out to my hon. friend that on that occasion, as I think all members will recall, the renewal of the legislation which was taking place was under section 4 which authorized its renewal by an address of the House of Commons and the Senate. So that obviously it was not in the nature of the resolution we have before us at the present time.

I want to make these points clear because I think that I can claim to have been one member of the house who has tried at all times to show to my fellow members the proper courtesy that is their due under the rules, and in taking the position that I have I am merely trying to follow the proper rules. It may be said, as I think the hon. member for Vancouver-Quadra (Mr. Green) interjected a moment ago, why not explain the reasons for this action? May I suggest that we are dealing with a piece of legislation which is already upon the statute books after having been debated at very great length indeed in 1951 and after several suggestions for its amendment had been introduced by members of the opposition, had been received in a most co-operative spirit by the government, and had been incorporated into the legislation in the very terms that they were suggested by members of the opposition.

I remember that on one particular occasion I conferred with the hon. member for Eglinton (Mr. Fleming) and a wording was adopted. I asked him on the floor of the house if he was satisfied with it and he expressed his complete satisfaction. The fact is that in the consideration of this measure the house was not divided on a single occasion except on the third reading, not on the principle of the bill on second reading but on the third reading, and at that time the Leader of the Opposition (Mr. Drew) interjected almost as an afterthought, as it appears in *Hansard*, the two words "on division". Surely in relation to legislation of that sort it is not asking too much of the members of the house that the rules of the house be followed, and hon. members could at least permit us to get into committee in order that there, in accordance with the rules, I might get up and try to give as full a set of reasons as I can for the extension for another period of one year of a bill in respect to which this house, when it was considered before, did not see fit to vote formally.

It is for that reason that I respectfully submit that I should continue to follow the rules of the house, and in a reasonable way I would ask members to let us have the vote upon this motion. When we get into committee I will give a full explanation of our reasons and submit myself to the answering of any questions which hon. members of the opposition may see fit to ask.

Mr. Green: May I ask the minister a question?

Mr. Garson: Surely.

Mr. Green: Does he not think that the question involved here is the wisdom or lack of wisdom in extending the measure for another year? He has completely overlooked that point in his remarks, and if such is the case then His Honour's ruling last year clearly applies when he used these words, as found at page 3375 of *Hansard* for June 18:

The minister should endeavour to answer the objections which have been raised and to give the information requested.

Mr. Garson: Mr. Speaker, in reply to my hon. friend's first question, this is a resolution seeking to introduce a money bill, and the reason we are considering the resolution and are asking the Speaker to leave the chair is that it is leading up to a money bill. Otherwise there would just be an amendment to an act, first reading of which would go

through in a perfunctory manner, and we would be discussing it on second reading. We have nothing at all to hide. More than that, with great respect, having listened to many of the reasons that have been brought forward by members of the opposition which in my humble opinion proceed from a misconception of the bill and, in the case of the hon. member for Lake Centre (Mr. Diefenbaker), of some of the legal principles involved, I think that we can resolve these matters much more readily by following the rules of the house and discussing them in committee. In the exchange that takes place there I think that perhaps I might be able to convince my hon. friend, more rapidly than I could in the house, that he was wrong on some of the points he raised.

Mr. Speaker: Order. So that there will be no misunderstanding, I think I must rule now that the minister has spoken to the resolution—or was he speaking to a point of order?

Mr. Garson: I was speaking to the resolution.

Mr. Speaker: I must declare that the minister has spoken to the resolution and he will not have the right to speak to the resolution again.

Mr. Knowles: I am amazed that the Minister of Justice does not recall that when he got up to speak just now he started out by saying that he wished to speak briefly to explain why in his view he should not speak. I certainly thought it was a question of privilege or a point of order to which he was speaking, and that any speech of substance he might make would be made later in the day.

Mr. Garson: Mr. Speaker, on a point of order now, I bowed a moment ago to your ruling that I had spoken on the resolution. I was certainly of that view for this reason. I cited to the house Your Honour's interpretation of rule 60 and then went on to explain that in answering any objections I could very properly be quite brief because we were dealing here with a bill which had been considered and passed with some measure of approbation upon the part of members of the opposition. I pointed out that it was not at all unreasonable—and in these matters the purpose of the rules and the purpose of the attitudes we take should be reasonable in order to expedite the business of the house—to ask members to bear with the government in order to get the resolution into committee where we could discuss it to greater advantage and in accordance with the rules of the house.

Mr. Knowles: Is it now settled that the minister has spoken?

Mr. Speaker: Under the rules, on a resolution of this type the minister who introduces the resolution, or who speaks for the minister whose name appears on the order paper, has the right to speak once only. He has no right of reply, and I must declare that the Minister of Justice in this instance has already spoken and he will not have another opportunity to speak to the resolution on the motion for the Speaker to leave the chair.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it was my intention, if the Minister of Justice (Mr. Garson) had been speaking on a point of order, to deal with that point of order, but now that his remarks are regarded as a speech of substance or alleged substance I will deal with them on that basis.

Mr. Fournier (Hull): Mr. Speaker, on a question of privilege, if this is a substantive motion I believe the minister would have the right to close the debate. If it is only one of those motions that are not debatable then I understand, as explained by the Minister of Justice, that he would speak only once. But if the hon. member says that it is a substantive motion—we say it is not, you know—then I think that according to the rules the minister would have the right of reply and of closing the debate. I should like to have a ruling on that point.

Mr. Speaker: I agree that if this were a substantive motion the minister would have the right of reply, but as the Minister of Public Works has said this is not a substantive motion.

Mr. Abbott: Wrong again, Stanley.

Mr. Knowles: Mr. Speaker, I did not say the motion was a substantive motion. I said that the minister had made remarks which I referred to as alleged substance rather than a point of order. The Minister of Public Works (Mr. Fournier) misunderstood the point I was trying to make.

It seems to me, Mr. Speaker, that parliament is being insulted here. We have brought before us a very important piece of legislation, legislation which proposes to give to the government certain wide emergency powers. The Minister of Justice (Mr. Garson) says that all that is being asked is an extension of powers that the government already enjoys. Even if that is all it is, an extension of what is now on the statute books, I suggest it is a very important piece of legislation. Yet, despite the importance of

this piece of legislation, the government does not explain it nor tell us why it should be passed, but rather sits quiet and allows five members of the opposition to speak before the Minister of Justice goes even so far as to explain why he thinks he should not speak. I submit, Mr. Speaker, that this is one of the greatest insults that I have seen handed to parliament in a long time.

The question before the house is one on which there is obviously a strong difference of opinion. I take it from the fact that the resolution is introduced—

Mr. Garson: Will the hon. member permit a question? Does my hon. friend not agree with the interpretation of rule 60 that I just put to the house?

Mr. Knowles: I take it we are back to the point of order now, rather than on substance. If I may get back to the point of order and the minister's frequent claim that he was keeping within the rules of the house, I will submit for his consideration that I think he was not following the decision that he quoted from Your Honour. In that judgment delivered in June, 1952, Your Honour suggested that if there was debate directed to the negative the minister should then reply. There has been debate directed to the negative. There have been several speeches taking strong objection to this measure, and yet the minister, who refused to defend it in the first place, now even refuses to answer the arguments that have been made against it. For him to claim that he is carrying out the rules is, I think, not at all consistent.

As for rule No. 60, and the interpretation thereof which Your Honour gave last June, I would remind the Minister of Justice that today, during the midst of the remarks of the member for Vancouver East (Mr. MacInnis), Your Honour gave what I thought was an amendment of your own opinion. Your Honour suggested that maybe the difficulty was that this was not regarded as a substantive motion, and the difficulty lay in the fact that the minister moving it does not have the right of reply under the rules of the house. I think there was a general feeling around the house when that discussion took place between Your Honour and the member for Vancouver East, that the simplest solution to this impasse to which we have come would be either for the house to agree by unanimous consent or for the rule to be changed so the minister moving a motion of this kind could have the right of reply. Apparently the Minister of Justice does not want to speak to the motion in the first instance, and he does not want the right of reply.

I still feel that we should be told why the Prime Minister (Mr. St. Laurent) is not here. The motion is in his name, and not in the name of the Minister of Justice. It is quite properly in the name of the Prime Minister, because the measure has far-reaching implications. It may well be that the Prime Minister has important business which keeps him away from the house this afternoon. If that is the case, I suggest that the leader of the house should have proposed to us that we go on with other business. After all, when this measure was introduced in 1951, it was in the name of the Prime Minister and was moved by him. He made the first speech, without quibbling over questions as to whether or not he should speak at that stage. Similarly in 1952 when the resolution was brought in to provide for the continuance of this measure, the Prime Minister moved it and stayed here throughout that debate. I suggest it is just as important a piece of legislation today as it was in 1951 or 1952. If it is not possible for the Prime Minister to be here and pilot this legislation through this afternoon, we could deal with some other piece of business.

I would point out also, since the Minister of Justice keeps rising on so many points of procedure, that the Prime Minister, in whose name this motion was moved, has not yet spoken. If the Prime Minister came back into the house and asked for the right to speak to this motion, since it is his motion and he has not yet spoken to it, I believe that Your Honour would give him the right to speak. If there were any procedural doubt about it, the house would give unanimous consent to him to speak, because of the obligation we feel the Prime Minister has to tell the house why we are being asked to support the measure. The Minister of Justice keeps making so much out of the desire to have Mr. Speaker leave the chair and for us to get into committee of the whole, as though there were some particular significance as to where Your Honour is at a particular moment. After all, it may be that lawyers like the Minister of Justice and the Minister of Public Works (Mr. Fournier) can say that it is a vote on a motion for Your Honour to leave the chair, and nothing more. It is clear in Beauchesne, however, that it is a vote on a motion for Your Honour to leave the chair for the house to go into committee on a certain resolution.

The minister says the vote is not on the substance of the resolution. But supposing the vote taken at the end of this debate

were in the negative, would the government say that that was not a defeat of the government, that was not a defeat of the emergency powers measure, but merely a defeat of a motion for Mr. Speaker to walk out of the chair? Oh, no, they would say that an important measure that was mentioned in the speech from the throne, and that the government thought parliament should have passed, had been defeated by parliament, so away we would go to the country on that issue. As a matter of fact, it might be a good issue upon which to go to the country, so as to get the views of the people on this very issue.

Mr. Argue: They would not dare.

Mr. Knowles: No, I do not think they would dare go to the country on the issue of the rights of parliament in relation to the executive branch of the government. So I suggest, Mr. Speaker, that there has been from the ministerial benches a great deal of quibbling on a point of order, behind which they are hiding and refusing to deal with the merits of this measure before the first vote is taken. Whether or not it is a recorded vote, it is a decision of the house. When this debate ends and it is decided whether or not Your Honour leaves the chair, the decision then given is not just on the question of whether Your Honour should stay in the chair or get out of it. The decision is on the question as to whether or not we think there should be any further dealing with a resolution calling for the introduction of emergency powers legislation.

Before I go further, Mr. Speaker, may I make it clear, as the member for Vancouver East did, that we in this group supported this legislation in 1951. We supported it again in 1952 when the government asked the house to pass a resolution to the effect that the measure be continued until 1953. As a matter of fact, if I may say so, on looking over the debate of 1952 I think I made a better case for the continuance of the legislation than the government did.

Mr. Abbott: Do not be too modest.

Mr. Macdonnell (Greenwood): That may not be high praise.

Mr. Garson: Why don't you keep up the good work?

Mr. Knowles: As the member for Vancouver East pointed out, and as I indicated last year, the support of this group for the continuance of this legislation was clearly based on certain conditions. It was on the condition that this legislation be used, not for ordinary matters but only for extraordinary matters that might have to be dealt with. I made it clear also that one of the reasons we were interested in this kind of legislation was because of the need, in the name of the people, for there to be some control over prices, over the economy of the country, so that we might not have runaway inflation, with all the dire consequences that flow from that phenomenon. We pointed out last year that the government had failed to use its powers during the twelve months it had legislation for this purpose, but that we were prepared to give them another twelve months in the hope they would use the powers for the good of the people. No such use has been made of those powers. As a matter of fact, the need for it in terms of materials control, priorities and so on would seem to have lessened, if one can judge from the estimates in the Department of Defence Production and so on. But at any rate the plain fact of the matter is that the powers were not used for the purposes that we had in mind when we agreed to their extension; and it seems to us now that a government which certainly does not enjoy the confidence of a great many of us in this house, nor the confidence of the country, should not be given a further extension of powers of this kind.

I felt particularly proud of my colleague the hon. member for Vancouver East (Mr. MacInnis)—I am always proud of him but I was particularly so today—for the reasonable speech he made earlier in this debate. From the way he spoke I think it was fairly clear that we were dubious about agreeing to this legislation. But despite that doubt, he left the door open and gave the government a chance to make a case for it if it had one. But despite that reasonable appeal—that reasonable offer—to the government to state its case, the Minister of Justice (Mr. Garson) not only refuses to rise and do so but he rises and makes a speech on a point of order, thereby ruling himself out of court so far as his right to make any further speech on this matter is concerned.

I can tell the government that the slight doubt about this whole matter that we over here in this group had earlier this afternoon is no longer slight. We now feel that the issue is clear. We feel that what we have here is a government that wants wide powers, that does not want to explain why it wants them, that does not want to make a speech about the matter but just wants parliament to agree to the extension of these powers. To say that they were passed last year or the year before is hardly an argument. It might have been a point for the minister to make if he had spoken first.

But after five or six members of the opposition have spoken and have indicated disagreement with this legislation, surely the time has come for the government to make a case for this legislation, if it has one; and I greatly doubt that it has.

As I have already said, even if it had a case, any confidence that any of us ever had in this government is completely gone, and we have no thought of giving them powers of this kind.

An hon. Member: We never had any confidence in the government.

Mr. Knowles: My hon. friends behind me are reminding me of the fact that we never did have confidence in this government; but even our non-confidence has grown because of some of the things that have been happening within this past year.

Mr. Abbott: The hon. member is just carried away with himself.

Mr. Knowles: The members of the government still think they have the confidence of the people of this country. There is one way they can find out, and they will be very surprised when they make that test.

One of the reasons I was hoping we would have a speech from the government side before this—after all, I am the sixth speaker on this side and there has been no word from the government yet—was so that we might have a summary of what has been done, if anything, under the Emergency Powers Act during the last twelve months. A year ago—in May, 1952, it was—when the house was asked to extend this legislation, the Prime Minister gave us a report of the government's stewardship under this legislation. He told us how many orders in council had been passed under the Emergency Powers Act. He described each of them. At least, he described all but one of them, and I will come to that matter in a moment. But at any rate we were given an account of what had happened during those twelve months. I should like to know whether more or fewer orders in council were passed this year than were passed last year under the Emergency Powers Act. Some questioning took place a while ago. The hon. member for Springfield (Mr. Sinnott) wanted to know whether the hon. member for Vancouver-Quadra (Mr. Green) knew how many orders in council had been passed under this legislation during the past five years. That was an odd question because this legislation has not been in effect for the last five years; it has been in effect for only two years.

I may say that during the first year there were, in fact, only nineteen orders in council passed under the Emergency Powers Act. I am referring to the year from 1951 to 1952. The Prime Minister detailed those for us last year. As I say, he told us that there were nineteen. Of those nineteen, fourteen were still in effect when the Prime Minister spoke to us on May 26, 1952. Those fourteen were as I shall now indicate.

There were five dealing with great lakes seamen's regulations, three having to do with priorities control, two with respect to control of transport, one that had grown out of the foot-and-mouth disease, one that had to do with the operation by United States government agencies of radio stations within Canada, and one that had to do with the exempting from customs duty of gifts having a value of less than $25 if sent home by troops overseas. I think the figures I have given add up to thirteen. The other one of those fourteen which was still in existence a year ago was P.C. 3486 of July 4, 1951, which, by government decision, had been exempted from publication. In other words, that is a secret order in council, the terms of which parliament does not yet know.

In addition to those fourteen that were still in effect when the Prime Minister spoke on May 26, 1952, there were five others. Obviously some of those fourteen may since have been repealed or rescinded. Incidentally this is the kind of information that I think the house was entitled to have if the government had not followed the insulting course to which we have been subjected today.

With respect to the other five I may say that the Prime Minister a year ago, at the time he spoke, indicated that those five had been replaced by legislation, or by proper statutes. One of them had to do with the Defence Services Pension Act; another had to do with discipline in the armed forces. A third one had something to do with the agricultural products board. The Minister of Agriculture (Mr. Gardiner) is good at getting things done when he wants them done—except the South Saskatchewan dam. A fourth one had to do with the use of other metals than nickel in the Canadian five-cent piece. It is not worth much any more anyway. The last one had to do with the postponing of the weighing of grain under certain conditions.

I recite those nineteen orders in council, fourteen that were still in existence and five that had been replaced, not just to put a bit of history on the record but to indicate the kind of use that was made of this legislation,

in the light of such information as we had been given up to that time. The last five orders in council that I referred to were certainly not emergency matters at all. As a matter of fact they were all just cases of the government's using the Emergency Powers Act as a convenience, as a means of getting something as law before parliament would pass the actual legislation. As to the other fourteen, with respect to some of them—for example, the one having to do with the foot-and-mouth disease—the Prime Minister admitted that there was probably other statutory authority, that they really did not need to use the Emergency Powers Act. So when you add it all up, it looks as though the use of the Emergency Powers Act during its first year was simply a use for convenience, and that there was little done that was in terms of security. One does not know, of course, what was in that secret order in council of July 4, 1951; but in the main it was simply a matter of convenience to the government during that first year to have this legislation on the statute book. I suggest that we should have been told before this what the story has been during the second year. How many orders in council have there been? Were there more than nineteen? Were there fewer than nineteen? Incidentally, hon. members must not get the impression that the government holds itself down to nineteen orders in council a year. Those are just the orders in council under the Emergency Powers Act. That does not include the orders in council that come under the legislation over which the Minister of Trade and Commerce and of Defence Production is in charge, and it does not include orders in council under all the other pieces of legislation, most of which make provision for some form of order in council or other.

As hon. members know, we get a book every once in a while containing orders in council that have been made and tabled in the house, and to keep up with them would require quite a secretariat indeed.

What has happened during the past year? Have there been any that could not have been effected under other legislation? Have there been any in connection with which the purpose could not have been served by legislation of this parliament? After all, we are here most of the year now. There is not ever a very long break between sittings of parliament, and if the government really believed in parliamentary democracy, in parliament being in charge rather than just the executive, I do not think they would have asked for this kind of legislation at all. As the hon. member for Kamloops reminds me, if they believed in responsible government, which is supposed to be the essence of our form of government, our form of democracy, I do not think they would be asking for any further extension of this legislation.

It may be argued that the world situation is still a precarious one, and no one would deny that. Some of us are quite concerned about some of the things that are happening, even happening in the country to the south of us, in terms of changes in foreign policy, and we do not know just what may be ahead; but in that connection may I remind the house that when the Prime Minister introduced this legislation on February 20, 1951—it was the occasion when we were at the same stage that we are at now, only on that occasion the Prime Minister chose to speak—he said, as reported at page 497 of *Hansard*:

> Moreover, the enactment of an emergency powers bill will not prevent the proclamation of the War Measures Act if the situation should become more critical than it is now.

He went on to say—and I read this because it has a bearing on the sentence I have just read:

> Of course it would not prevent the proclamation of the War Measures Act if we got into a state of actual conflict.

The Prime Minister was saying there what we all know that in a state of actual conflict there is nothing to prevent the government from proclaiming the War Measures Act. The Prime Minister went further than that on February 20, 1951. He said that if conditions became more critical than they were then, but even short of actual conflict, it would be possible for the government to proclaim the War Measures Act. Well, so long as the government has that residual power, that residual right to proclaim the War Measures Act, it could deal with anything that was a real emergency, and therefore I do not see why it should ask for the continuance of this legislation any longer. It is convenient for the government to have this legislation, I know, and they like to get things through in the easiest possible way. To pass an order in council in cabinet meeting over in the east block is much easier than getting a bill through this House of Commons, but surely that should not be the basis on which decisions of this kind are made.

We feel—I think it could be said even of this government—that they would be a bit reluctant to proclaim the War Measures Act in any situation that was short of actual conflict. With respect to the relationship between parliament and the executive I think it is good for that reluctance to be there and for the government to be held in check to that extent. So long as they have not

got the War Measures Act they will be careful; they will come to parliament more often. But if they get this Emergency Powers Act before them it is obvious from their record that any time they get into a little jam, any time they want to put something else into the five-cent piece besides nickel, any time the Minister of Agriculture wants a change in one of his pieces of legislation, any time you need to amend legislation that you want changed when parliament is not here, well you just pass an order in council under the Emergency Powers Act and that will do the trick until parliament gets back to pass legislation. Well, that is playing fast and loose with the whole set-up of parliamentary and responsible government, and for my part, though we gave the government these powers two years ago and extended them last year, the plain fact of the matter is they have not used them for the purposes that some of us had in mind when we gave those powers. Rather, they have used them just as a convenience, and I do not think they should have them any more.

I do not know what the hon. member for Springfield (Mr. Sinnott) had in mind when he asked as to the number of orders in council that had been passed under this legislation. I do not know whether the Minister of Justice was prompting him or not, whether he was hoping to get out the information that there had not been very many. That may well be the case. I do not know. It may well be that there were fewer than nineteen in the past year, which was the number the year before. If that is so, if there were very few occasions on which it has been necessary to use this legislation, I would suggest that it should be abandoned because of disuse, because having it there as a convenient piece of machinery that the government can use is bad for democracy and bad for relationships between the executive and parliament. We have had those bad relationships not only in terms of the legislation itself, we have had a terrific example of it today in the way in which the government has dealt with this matter, and in my view parliament should not consent to the passing of the motion for Your Honour to leave that chair.

Perhaps, Mr. Speaker, you would call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Knowles: Mr. Speaker, before I conclude my remarks at this stage of the debate I feel the house should be given a picture, in capsule form if possible, of what has happened to date.

There was moved this afternoon by the Prime Minister (Mr. St. Laurent) a resolution that stands on the order paper in his name. The Leader of the Opposition (Mr. Drew) asked if there was not going to be a statement from the government at this stage, whereupon the Prime Minister said that he believed the Minister of Justice (Mr. Garson) had a statement to make. The Minister of Justice interjected to say he preferred to make his statement in committee of the whole.

The Leader of the Opposition pressed the point that this was a matter of some importance, and that he felt there should be a statement with Your Honour in the chair. Despite that urging on the part of the Leader of the Opposition the Minister of Justice chose not to speak at that stage, nor did anybody else from the government side of the house offer to speak.

There followed the speeches of the Leader of the Opposition, the hon. member for Vancouver East (Mr. MacInnis), the hon. member for Peace River (Mr. Low) and then the hon. member for Vancouver-Quadra (Mr. Green). That made four speeches from the opposition side of the house, all more or less opposing the motion that Your Honour leave the chair for the house to go into committee of the whole on this particular resolution.

At this point—and I am relying upon my memory, but I am prepared to subject what I am saying to the reading of *Hansard* when it comes out tomorrow—at that point the Minister of Justice rose and started to speak. He said something like this, "Mr. Speaker, if all those who have any objections to raise have stated them, I feel it is my duty to reply". I place emphasis upon the word "duty" which the Minister of Justice used at that time.

In other words he was at that point prepared to follow up the suggestion made by Your Honour in 1952 that, there having been speeches directed to the negative of the question on a motion of this kind, it was his duty and responsibility as a minister to reply. I rose on a point of order to make sure the Minister of Justice did not presume that he was closing the debate. He replied that he certainly was not closing the debate. He said that he was rising on what really was a point of order to make sure that there were not others who wished to speak in opposition to the motion because, as he said—and I remember this particularly well—"I do not

want to be put in the position where I cannot answer objections that are raised against this legislation".

When from this side of the house we made it clear that there were others who did wish to speak, the Minister of Justice took his seat. For a moment it looked as though the question was going to be put. Some of us complained that it would be an insult to this House of Commons if the matter were concluded without a speech from the government side of the house. The Minister of Justice still sat in his seat.

There followed then the speech of the hon. member for Lake Centre (Mr. Diefenbaker). When he finished, again there was silence from the government side, and Your Honour was about to put the question. At that time I asked if the Minister of Justice was not going to make a statement. He got up and said that he was rising just to speak briefly, to explain why it was his intention not to speak at that stage. Well, his brief remarks were not exactly brief; and at the end of his remarks Your Honour took the position that the length at which he had spoken, and the extent to which he had dealt with the substance of the matter, made his remarks a speech, and that therefore he would not be able to speak again in this debate.

In other words at that point the Minister of Justice did the very thing that earlier he said he did not wish to happen. Earlier he had said, "I do not want to be put in a position where I cannot reply to objections to this measure", and then a little later on he put himself in the very position that he said he did not want to be put into.

So the result is that, not counting the speech made by the Minister of Justice—because he did not deal with the merits or demerits of the proposal before us and therefore it should not be counted—there have been six of us, including myself, who have taken part in the debate, and all of us on the opposition side of the house. All of us have expressed either misgivings or outright opposition to the measure.

I suggest that this is a very strange situation indeed. This afternoon I used words which I thought at the time maybe were strong; but, on thinking it over, I am satisfied those words were quite proper, and suited the situation. It seems to me that the government is insulting parliament by asking us to agree to legislation of this kind without even making any statement as to why parliament should be asked to vote for this measure.

I indicated this afternoon that a year ago the Prime Minister did not hesitate to tell us why he thought parliament should agree to the extension of the Emergency Powers Act for another year. I even gave some of the details that were in that speech—details of a kind to which I think we are entitled on this occasion. So far today we have had no explanation at all, and it simply leaves us on this side of the house with the feeling that we have here a government which is not only seeking wide powers and seeking to have parliament delegate parliamentary authority to the executive, but wants that to be done without even telling parliament why, in the government's opinion, it should be done.

I suggest as strongly as I can that the reference to rules and to points of order is irrelevant. If this debate were out of order Your Honour would not let it carry on. There is no question as to our right to speak, and there is no question as to the right of members on the government side of the house to speak as well. As a matter of fact, since so much has been said about the rules in the book, may I remind hon. members of citation 214 in Beauchesne's third edition which suggests that His Honour the Speaker is supposed to alternate speakers between the two sides of the house. Well, we cannot but sympathize with Your Honour today owing to the fact that nobody on the other side has tried to speak. And so Your Honour has had to see a succession of speakers on the opposition side.

The suggestion has also been made that members on the other side of the house are just following the rules. Well, standing order 38 makes it clear that this is a debatable motion. Standing order No 60, to which reference has been made so often, does not preclude debate at this stage. It says that before a motion of this kind can be dealt with it must be referred by the house to a committee of the whole house, and it is clear from standing order 38 that a motion to refer this matter to a committee of the whole house is a debatable motion. It is that right that we are exercising at this time. As I said this afternoon, the government may argue all it wants that what we have before us now is simply a motion that Your Honour get out of the chair, but everyone knows that if this motion were defeated the government would not treat it as a defeat of a procedural motion; the government would say that what the house had done was to deny any further consideration of a major government proposal.

This is a major proposal; it was included in the speech from the throne. It is before us as a substantial proposal in the name of the Prime Minister (Mr. St. Laurent) and I am satisfied that if the house were to stand

on its rights as a free parliament in a democracy that believes in the parliament of Canada being superior to the executive branch, if taking that position this house were to defeat the motion that Your Honour leave the chair, that would be correctly and properly interpreted as a defeat of the proposition that is before us, namely, that the Emergency Powers Act be extended for another year.

Mr. Low: Let us do it.

Mr. Knowles: The hon. member for Peace River (Mr. Low) says, "Let us do it." I am advising that the house should do it. I realize that the government would not like to face the country on this issue of the relations between the executive and parliament, but I think the people of this country, after some of the things that have been happening during the last few years, would be glad to have a chance to express their opinion on that very issue.

I was saying that if this vote were resolved in the negative it would be treated as a defeat of the proposal for the extension of the Emergency Powers Act. Similarly, I suggest that if this vote is resolved in the affirmative that is not just a motion that Your Honour get out of the chair and sit somewhere else; that would be a vote in support of the proposition that the Emergency Powers Act be extended another year.

I gather that my time is about up, or maybe it has more than gone, so I shall just conclude by saying that in addition to the demerits of the legislation itself, which I emphasized in my remarks before six o'clock, it seems to me that the performance we have had in this debate leaves us no alternative but to express in the strongest terms we can our non-confidence in the government and what we believe to be the non-confidence of the people of this country in this government.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, if I believed that this question was simply one of procedure I would hardly have the heart to stand up and talk on the subject because I believe there are those who are much more familiar with constitutional and procedural matters than I am. But it does not seem to me to be that at all. As I understand it, it is really a question of the cutting down of the rights of the minority in this house. I am not able to see it in any other way.

I understand that we have heard questionings of the practice which has prevailed during the few years I have sat in this house. It has been questioned once or twice. As I see it now, we are having the matter pressed. The minister is refusing to take part except in the procedural sense in this resolution stage. To me this is a shrinking of the rights of the minority and it is because of that that I am on my feet.

I have always been most interested in the ample rights of debate that are given to the minority under our system. It seems to me to be evidence of the great wisdom of our ancestors. I have not been able to find anyone who could enlighten me in detail as to the way it arose. There is one interesting suggestion which was made to me once and which I have always carried in my mind, that perhaps it went back to the time when members of parliament had retainers at home, not in the legal sense, but men-at-arms, and it was considered better to give them ample rights of speech rather than have them go back home and perhaps put the matter to a very different test.

Whatever the rights may be that we have had under our system, the rights of the minority are certainly very amply protected. My own feeling is that that is of vast importance. I have often asked myself why it is that only the countries that share our form of government, and perhaps not all of them, are prepared every few years to have the citizens of the country put pieces of paper in boxes all across the country and at the end of that time obey, because that is what we do, the people who have the largest number of votes.

The results are often very unsatisfactory to us. They have been most unsatisfactory to me for a long time. Nevertheless one obeys the results, and I suggest we do that for two reasons. First, I think we like to think that we are sporting people and when we are defeated we like to take it in good part. But far more important than that, I believe, is the fact that we feel that the rights of the minority will be protected, that there will be ample opportunity for them to be voiced. Therefore I feel that any attempt of any kind to cut them down should be resisted, and that is the reason why I am on my feet.

I have found something that I have looked for for a long time, a short description of minority rights, rationalizing them better than I have ever seen them rationalized, showing why the rights of the minority are as amply protected under our system as they are. Before I read this may I say that although they are amply protected I cannot from my short experience feel that there has been very great trespassing. I cannot feel that time has been lost.

There have been very few cases when we have had what we might call a textbook illustration of the success of the opposition

pressed to the point where it actually brought about a change of government policy on the spot, but the Minister of Public Works (Mr. Fournier) will recall that a year ago last December we did have introduced into this house a measure connected with the Public Works Act. He will remember that we on this side protested against it, perhaps with even more indignation than we usually do.

Mr. Fournier (Hull): Do you think that this is relevant to the discussion on this matter?

Mr. Macdonnell (Greenwood): I am hoping that Mr. Speaker will think it is relevant to what I am trying to point out, namely, the rights, the privileges and the effectiveness of the opposition. When I have read the short passage which I propose to read I believe the Minister of Public Works will think it is relevant. At any rate I shall be very brief.

What happened then was that we in the opposition exercised our duty of protesting. We were fortunate in that case in that we attracted the attention of the press and the matter became of public interest. We are not always so fortunate in that way. The minister will remember that within two weeks the government for once saw the light. They saw that we were right and the measure was halted. I mention that because it is the clearest illustration I can think of of one of the reasons for the existence of the opposition.

I propose to read shortly from "The Procedure of the House of Commons" by Redlich, volume I, page 131. It seems to me that this sets out extremely well what an opposition is for. I quote:

> As already pointed out, the distinctive characteristic of the procedure finally developed in the 18th century was the protection of the minority. This principle also can only be understood as one of the consequences of the cohesion which has marked the House of Commons since the revolution.

Note this carefully, Mr. Speaker.

> The opponents who face each other are equally able and willing to undertake and become responsible for the government of the kingdom;—

Of course that is not something which we all agree with, but that is what the text writer says.

> —more than this, they are ready to recognize each other's capacity.

He may be going a little far there.

> The prospect of loss of power awakens in the hearts of the ruling party no fear of destruction for themselves and no fear of an attack upon the constitution for state and country. The battle is one upon an enclosed field. It is, therefore, quite in place that there should be rules of battle to assure fair play to each party. For both are members of a nation, one in fact and feeling. The majority holds the great advantage of being able to realize its wishes in the institutions of government; but, on the other hand, for this very reason the minority ought to have all conceivable rights of expressing its views and aims, and ought to be allowed free use of all permissible weapons of speech and political tactics in its fight against the expression of the wish of parliament which is a consequence of possessing a majority. For it is just as much the interest of the nation to ascertain whether the majority can maintain itself as such against an able and powerful attack and make proper use of the great privilege of conducting the government, as it is to take care that the will of the ultimate majority shall be treated as the will of the nation.

Then there is this final sentence, Mr. Speaker, which reads as follows:

> Protection of the minority is, therefore, in the British parliament no mere privilege of the minority for the time being; it is a vitally important institution developed in the highest interests of a nation ruled by parliament.

I have no doubt that the Minister of Justice (Mr. Garson) will say that he endorses all that and that nothing he is doing today contravenes that in any way. All I can say is that there we differ entirely. I feel that this is one of the instances we see so often where a little tenure of power makes power commonplace. The Prime Minister (Mr. St. Laurent) smiles. He is not hearing this for the first time and its amuses him greatly, but nevertheless I do not hesitate to reiterate it because signs are never wanting that that is what happens, that when people have it for a long time they come to have complete confidence in themselves and they come to be completely convinced that more and more power for them is better and better for the nation. I do not like to say that in the absence of the Minister of Trade and Commerce (Mr. Howe). He of course is an authoritarian.

Mr. Speaker: Order. I rather think the hon. member is getting away from the resolution before the house. May I ask him to discuss the resolution, or should I say the reasons why the Speaker should not leave the chair so that the house can consider the resolution in committee. There must be some relation between his remarks and the resolution.

Mr. Macdonnell (Greenwood): Mr. Speaker, I of course will bow to your ruling, but the relation is this. The point I am trying to make is that what we are now discussing is in fact an attempt to diminish the rights of the minority. It is with that in mind that I am pointing out the general danger that exists in this house to the rights of the minority. It is for that reason that I mentioned the Minister of Trade and Commerce, notwithstanding his undoubted gifts, because I feel that respect for the rights of the minority is not his outstanding characteristic. I do not want to quote that much-quoted and well-known phrase about "getting away

with" things but I do feel that perhaps the minister has inoculated the rest of the cabinet and that even in his absence his spirit broods over it. Perhaps that is one of the reasons we have these emanations, shall I call them, from the Minister of Trade and Commerce.

Mr. Diefenbaker: Fulminations.

Mr. Macdonnell (Greenwood): Fulminations, the hon. member says. Coming to the bill itself, I want to say a word or two about the powers set out therein. We of course are deprived of the advantage of knowing what the government is going to do about this measure, and that seems so silly to me. It seems to me that common sense would have suggested that the Minister of Justice (Mr. Garson) should have stood up like a man and told us the arguments that we had to face. But here we are. It is rather like fighting blindly because we still have to hear the reasons why we are being asked to vote for this measure.

Mr. Garson: On a question of privilege, I am as anxious as I can possibly be to stand up in the committee and explain the whole thing but my hon. friend will not give me a chance.

Mr. Green: Why did you not stand up when you had a chance?

Mr. Knowles: You put yourself out of court.

Mr. Diefenbaker: Why did you not give us the reasons for voting for the motion?

Mr. Macdonnell (Greenwood): We have given the minister reasons which are perfectly satisfactory to us and which I think should be to all reasonable men, but I am not going to pursue that further. I merely want to point out the unfair disadvantage, inconvenience and absurdity really of the present position, which is that we on this side are doing all the talking, which we greatly dislike to do.

Some hon. Members: Oh, oh.

Mr. Macdonnell (Greenwood): We would have loved to hear people on the other side. The hon. member for Winnipeg North Centre (Mr. Knowles) delivered a most moving appeal to the Prime Minister to speak, and I hope he is going to do so. In the meantime, as you will agree, Mr. Speaker—and I hope I am not irrelevant here—it would be a much more common-sense procedure—perhaps common sense cannot always be followed in this house—if we did know the arguments we had to meet. But we at least do know—at least I think we know—that the measure which is eventually to find its way on the statute books if the government members run true to form is the same as the one that is on them now. It is a continuation. Therefore all that we need to be able to do is to read and we can find out what the provisions are. I shall not go through them. I merely want to refer again to the extraordinary breadth of the one about trading, exportation, importation, production and manufacture. That seems to cover a terrific amount of territory.

One other thing which we may not know but which we can more or less infer from the bursts of publicity, the fountain which spouts constantly and which tells us of the great doings of the government, is that they are not going to give the same reason for continuing this measure as they did last year. But that remains to be seen. That is my inference. In any event, I think they will be deprived of that reason. There is no reason that I can see for continuing this measure except, as I say, the feeling that power is a nice thing to have—and when you have it, keep it. The Minister of Trade and Commerce, who calls a spade a spade, referred once to having power. He said it was useful to have a stick or a club behind your back when you were negotiating with anyone. The Prime Minister would not use such —what shall I say—a rough illustration as that. I think the Prime Minister used words somewhat similar, that it was useful to have it as a stand-by, if I remember correctly.

In any event, as I understand it there is a stand-by, the War Measures Act, which could be proclaimed and which could do the job if it were necessary. It seems to me we have about reached the situation where these emergency measures should only be used in case of a clear emergency and not in the somewhat nebulous condition in which we find ourselves now. If I remember right, the government hesitated to act on grounds of emergency the other day, saying that there was not one, and now we are asked to pass legislation on the ground that there is one.

I do not think I have anything more to add, Mr. Speaker. I am very sorry if I was out of order but you helped me as best you could to get back. I should like to repeat before I sit down that I do believe that this measure is a chiselling at the rights of the minority. If they are too big, if they are too extended, then let us have it out; but let us know what we are doing and not do it by indirection and by chipping a little bit here and a little bit there. It seems to me that we got along very well with the procedure that was used in my early years in this house, and then it suddenly seemed to become unpopular on the other side of the

gangway. Today we are witnessing a definite attempt to adopt an attitude of insistence. I still hope that the Prime Minister will speak and that we may have a complete reversion to the system which seems to me to have served us so well.

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

Mr. E. D. Fulton (Kamloops): Mr. Speaker,—

Some hon. Members: Oh, oh.

Mr. Fulton: I am glad my hon. friends on the other side of the house are so pleased to hear me rise to make a few remarks.

An hon. Member: Hear you rise?

Mr. Fulton: It is always encouraging to find that one is so welcome in the house even when one criticizes the government and that no one welcomes criticism more than the Prime Minister (Mr. St. Laurent) himself, who appears to think so little of his own resolution that he is leaving the house at this moment.

Mr. St. Laurent: Mr. Speaker, on a question of privilege, the Prime Minister has other things to do than to listen to the hon. gentleman, when he is using that tone.

Mr. Drew: Or to listen to parliament.

Mr. Fulton: The Prime Minister has left on a very good note, Mr. Speaker. I am quite sure that the Prime Minister has other things to do than to listen to any particular hon. member in this house, but I would have thought—

Mr. Drew: It is a perfect expression of their contempt of parliament.

Mr. Fulton: Of course it is, as the Leader of the Opposition has said, a perfect expression, a perfect indication, physically as well as verbally, of their contempt of parliament. Although there may be things—

Mr. Lapointe: Are you parliament?

Mr. Fulton: Although there may be things which, from time to time, take the right hon. gentleman and his colleagues, too, from the house, I would have thought, Mr. Speaker, that there was not such a pressure of business that the Prime Minister, who found it possible to stay in the house without saying a word since eight o'clock—

Mr. Studer: How could he?

Mr. Fulton: Now my hon. friends are asking a question, Mr. Speaker. You will have observed that it was necessary for Your Honour to get up and start to put the question before I rose to my feet. There was an interval of a few—

[Mr. Macdonnell (Greenwood).]

Mr. Riley: He probably regrets it now.

Mr. Fulton: Who regrets it, my hon. friend? My hon. friend regrets it, I think. My hon. friend always regrets any opportunity being afforded anyone on this side to criticize the government.

I want to take up the suggestion that the poor Prime Minister, the leader of the government, has not had an opportunity to say a word on his own resolution, which is the suggestion being made by my hon. friend. This resolution has been under debate in this house since three o'clock this afternoon, Mr. Speaker, and as I read the order paper I see it is a resolution standing in the name of the Prime Minister of Canada.

Mr. Ferrie: Read the resolution before the house.

Mr. Speaker: Order, order.

Mr. Fulton: I shall be glad to read the resolution if the hon. member is unable to read it for himself.

Mr. Ferrie: It is that the Speaker leave the chair, that is the resolution.

Mr. Fulton: The hon. member has demonstrated his ability to read, and now if he will demonstrate his ability to reason to the same extent that he can read, perhaps he can reach his own conclusions. But in case he cannot, I shall assist him in the process.

Mr. Diefenbaker: You have got a life job.

Mr. Riley: That was a sober second thought.

Mr. Lapointe: Even he could not stand that.

Mr. Fulton: Unfortunately, Mr. Speaker, I have only forty minutes—

Mr. Sinnott: Keep on going.

Mr. Lapointe: Why don't you attend the caucus?

Mr. Fulton: My hon. friend's caucus? I am not invited to them. I attend our caucus, which is worth attending, and we read about my hon. friend's caucus in the newspaper. We understand that a decision was arrived at there not to have an election. I can well understand why they do not want to face the people at the present time.

As I was endeavouring to point out when I was interrupted, this resolution has been moved by the Prime Minister. My hon. friends are endeavouring to suggest that there is somehow or other an unwarranted exercise of power being indulged in by members of the opposition, who have taken advantage of their position to prevent the Prime Minister from speaking to his own resolution. The fact of the matter is, of course, as is obvious to this house and as is becoming increasingly

obvious to the people of the country as a whole, that more and more the Prime Minister is becoming impatient with parliament, sharing the impatience of all his colleagues. This practice of putting on the order paper orders in his own name—

Some hon. Members: There he goes.

Mr. Speaker: Order. I have not interrupted the hon. gentleman, but I think he should now discuss the motion that is before the house.

Mr. Fournier (Hull): It is about time.

Mr. Fulton: You will recall that the Prime Minister rose on a question of privilege as he left the chamber. He having stated his question of privilege, I rather felt that I should be given an opportunity of replying to it.

Mr. Fournier (Hull): You want to take the privilege away from him.

Mr. Speaker: I thought I had been rather generous to the hon. gentleman.

Mr. Fulton: You have, but my hon. friends opposite have not.

Mr. Speaker: May I suggest to the hon. gentleman that he complete his reply as quickly as possible, and then discuss the resolution.

Mr. Fulton: I might just point out to my hon. friends on the other side of the house that they have not shared your generosity, Mr. Speaker, because although you have been prepared to accord me an opportunity of answering, they seem to have been somewhat indisposed to hear the reply. This resolution has been before the house since three o'clock this afternoon. From that time multitudinous opportunities have been afforded the Prime Minister or any other minister on the government side to explain why it is expedient that this resolution be passed, and why it is desirable that the Speaker leave the chair. He and they have all carefully refrained from exposing themselves to the obvious weakness of their own case by attempting to undertake an explanation of the desirability of that move.

You will recall, Mr. Speaker, that when the Emergency Powers Act, which is the subject of the resolution before the house, was introduced in 1951 it was passed, with reservations, but generally speaking with the consent and approval of the house. February 1951, it is well to recall, was only eight months after Korea, and no one knew just what Korea would bring. No one knew whether it would extend to become a world-wide conflagration, whether in fact it would become that national and international emergency which at that time was the fear, whether expressed or not, which was in the minds of all members of this house and the people of all the peace-loving nations. We felt there was some justification for the introduction by the government of a bill, of which the title was the Emergency Powers Act, the act which it is now desired to extend for a further year by a bill to be based on this resolution if this resolution passes.

But I submit to you, sir, and to the whole house, that although there was justification for the qualified support of the resolution and the bill in 1951, there is no such justification for supporting the resolution before the house today. There are various reasons why that is so. The first reason is that the government has not, in any sense whatever, attempted to define either the emergency, by virtue of which it is seeking these powers, or the spheres within which these powers will be exercised. Not only that, but as was pointed out on several occasions this afternoon by the hon. member for Winnipeg North Centre (Mr. Knowles), they have not used the powers in very many cases, although in many of the cases in which they were used they were used in respects of which it was entirely unnecessary to rely on emergency powers and what they did might far better have been done by ordinary legislative process. But now it is becoming increasingly obvious that the government, finding these emergency powers more and more of a convenience, are simply expecting the House of Commons to extend those powers without the slightest effort on their part to explain to the house why it should continue to surrender its control over legislation—which it is the task and part of parliament to exercise—into the hands of the executive. We are now being asked to pass this bill extending these emergency powers for a further year without one word of explanation.

Your Honour has indicated that it is perhaps not germane to the subject matter of the resolution before us to dwell at any greater length on the fact that the Prime Minister, who introduced it, does not even consider it appropriate to explain to the house why he thinks it is expedient that this legislation should be considered. I will not deal with that matter at any greater length; but I think it should be emphasized and should at all times be within the knowledge of every member of the house, and of every person throughout the length and breadth of this land, that the government which is asking this parliament to surrender for a further year its legislative responsibilities and control of the executive is asking that parliament do

so without even the gesture of affording us one word of explanation as to why it is necessary to carry on that system.

Mr. Speaker, the situation which confronts this house and this country today is a vastly different one from that which confronted us when the Emergency Powers Act was first enacted by parliament two years ago. It is true that the situation in Korea is not settled by any means. There exists a state of war in Korea. Incidentally, it has taken considerable prodding and pressing on the part of members on this side of the house to persuade the government to admit that the situation amounts to a state of war. They used to call it "police action", as you will remember, until they found it rather inconvenient to explain it on that basis to the people of Canada whose families were disrupted and whose pockets were plundered by the taxes supposed to be made necessary for this thing. They found it rather hard to justify all those things by the term "police action".

It is true that we have a state of continuing war in Korea. But with regard to that situation the uncertainties which were present in February, 1951, only eight months after the war broke out there, are not now nearly as vague, indefinite or threatening as they were then. A method of dealing with that situation seems to have been contrived on the part of the peace-loving nations of the world. We must remember that not only is the situation far different in all respects from the uncertainties of the one which surrounded the outbreak of the Korean war, but that just recently in this house, in connection with another measure and in a discussion with the hon. member for Lake Centre (Mr. Diefenbaker) as to the question whether or not an emergency existed, the Prime Minister said: After all, these matters are not so much matters of difference in definition as they are matters of difference in degree.

What, therefore, are we left with as a justification for the continuation of this measure? We are left with nothing more or less than the fact that the government is to say whether or not it thinks the emergency to be of a sufficient degree—not by definition but of a sufficient degree—to warrant parliament's continuing to abdicate all its legislative functions and all its legislative responsibilities. Yet although they say that the decision whether or not parliament should continue to be deprived of its legislative responsibilities and functions depends upon whether or not the emergency is of a sufficient degree to warrant it, they have the supreme effrontery this afternoon to introduce this resolution saying that we should continue to abdicate our responsibilities, without even the gesture of an attempt to explain to us what is the degree of the emergency upon which alone the Prime Minister said, some three days ago, justification for this or similar measures would depend.

First he tells us that the existence or otherwise of an emergency is a matter of degree and that it depends upon the determination of the government as to whether the necessary degree of emergency exists. Now he comes along and says "We are asking you to continue the emergency legislation", and he has the supreme effrontery to ask the Canadian people in their parliament to do that without getting up and saying what is the degree of emergency upon which he bases the request for a continuation of this legislation.

Mr. Speaker, never could there have been clearer proof of the fact that this legislation should no longer be continued and that this government should be brought to a realization of its responsibilities not only to this house but to the people of Canada, and its responsibility to explain fully—if indeed it is possible to explain—why the parliament of Canada should continue to be deprived of its legislative authority, of the means by which —and by which alone—that parliament and thus the people whom the members of parliament represent can control the executive branch of the government, namely, the cabinet.

Until that explanation is given I submit to you, Mr. Speaker, and to every hon. member in this house, that we would be completely lacking in the discharge of our duties as individual members representing our constituents and the people of Canada as a whole if we were to abdicate, without a word of explanation or justification, the very duties which those people sent us down here to discharge, namely the duty of investigating, controlling, checking and, if necessary, denying the measures which the government submits to us. After all, that is the supreme function of parliament and it is the supreme task of every member of parliament to exercise his judgment on behalf of the people whom he was elected to represent. If we simply refuse to allow ourselves for a moment even to be in a position to exercise that judgment, then we betray the confidence which the people who elected us placed in us when they sent us down here.

Hence, not only do I say that this resolution should be defeated because of the complete lack of explanation and the complete lack of justification which has been afforded to us as to why the Emergency Powers Act should

be continued; but indeed, I submit to you, Mr. Speaker, and to the house that the words of the Prime Minister himself, when he was speaking to the house in support of the bill in March, 1951, contained—if anything further were needed—an additional reason why the legislation should not be continued. The Prime Minister, when he spoke in support of the legislation in 1951, made it perfectly clear that it went far beyond what the government thought might be necessary. He came before parliament and he said: We are asking you to pass legislation which confers upon the government the power to enact, by order in council, all these things which normally would require the authority of parliament through a statute. Not only that, but also we are asking you to empower the governor in council to do things in fields which would normally be reserved exclusively to the provinces.

He said: We are asking you to give us these powers, but we are not asking you to confine these powers to fields and within limits within which we ourselves are prepared to say in detail that we need those powers; we are also asking you to entrust to us powers which might be far wider than anything which we ourselves can foresee that we shall need. That is what he said to us in March, 1951. I cite in support of that paraphrase of the Prime Minister's remarks this passage from page 807 of *Hansard* of March 1, 1951:

> These things mean restrictions on some individuals and they are subject to contestation before the courts. It is therefore important to have the language so broad that the courts will not say: "You have gone beyond what parliament authorized you to do." I am sure there is contained here a good deal that goes far beyond what will be done by order in council or by regulation. But the Department of Justice feared—at least, that was the advice we obtained from the permanent officials—that if it was not drawn in the broad language that already had had the scrutiny of the courts and had been upheld by the courts, they would not guarantee that it would stand contestation. We were convinced that we should stay on the safe side and be able to support the legislation.

In other words, Mr. Speaker, the Prime Minister was saying this: There might be some misguided individual—and I am paraphrasing his words—there might be some misguided individual in Canada who would have the effrontery to challenge in the courts of the land some of the edicts which are passed by this government. Now, this supreme, almighty, all-powerful government cannot run the risk that an equally misguided court might conceivably say that this misguided subject was right in his interpretation of the law and that in fact this all-powerful, this omnipotent and benevolent government had exceeded the authority conferred upon it; because of the revulsion it would create in the minds of the whole people of Canada to see this omnipotent and benevolent government challenged in the courts and turned down by the courts, why, we have to make assurance doubly sure that the courts can never find the government of Canada at fault. And therefore we will take not just the powers we need but we will take twice, nay thrice as many powers as we need and thus we will assure that no citizen who might ever be misguided enough, in his ignorance, to challenge the edict of the government need ever fear that in fact that misguided attempt would be upheld by the courts. And so he says: It is therefore important to have the language so broad that the courts will not say: You have gone beyond what parliament authorized you to do.

Mr. Speaker, what a principle! What a principle for a Prime Minister who says, and says with all the solemnity of his office: I uphold the principles of responsible government. There was never a more dangerous, more vicious principle enunciated, particularly, Mr. Speaker, when the government is asking parliament to hand over to the executive all its responsibilities, and with them all the safeguards which normally protect the citizen, which existed heretofore, and existed only as a result of the fact that parliament can call the executive to account.

Mr. Garson: Will the hon. gentleman permit a question?

Mr. Fulton: I would much rather the minister made a speech on the subject, but since he appears to have deliberately denied himself that opportunity I will welcome his question.

Mr. Pearson: Oh, so generous!

Mr. Garson: If the hon. gentleman regards this legislation as being as iniquitous as he has just described it, why did he not vote against it when it was before the house?

Mr. Fulton: Mr. Speaker, it is amazing how the hon. gentleman and all his supporters, when we rise to speak, give every appearance of thinking we should not speak, and then they rise in their places later on and ask questions which show they obviously have not attempted to follow the arguments which are being made but to which they now appear to attach some importance; because when I rose this evening I dealt with that question, and I attempted to explain to the minister why it was in 1951, when the legislation was introduced, we said that although we had reservations, which were defined then and which I indicated again tonight, the situation at that time, namely February,

1951, was so uncertain that there might be some justification for taking emergency powers.

The hon. member for Lake Centre (Mr. Diefenbaker) pointed out this afternoon and reminds me again that the Nolan case, to which he referred, had not then been decided, and it is true that we gave approval in principle to the bill on second reading. But the Minister of Justice will remember that we made certain specific suggestions when the bill was in committee as to how some of the undesirable features might be eliminated, every one of which—no, not every one, I want to be fair—but most of which were rejected by my hon. friend and his colleagues; and therefore, having given approval in principle in the hope that we might be able to make some improvements in detail, then when the government's vast majority defeated the suggestions for improvement in detail it was impossible for us to improve the bill and to remove those objections, which I have been pointing out to my hon. friend tonight.

And indeed, I am not one of those who say that they are always right.

Mr. Argue: The government is getting worse every day.

Mr. Fulton: I am willing to admit that I make mistakes, and it may well be that in 1951 we made quite a mistake in entrusting these powers to the government. Indeed I think I am convinced of it, and nothing convinces me more than some of the actions of the government—not only their actions related to this bill, Mr. Speaker, but actions in connection with incidents which have recently been brought to our attention, revealing their shortcomings with respect to accounting in national defence, and with respect to their responsibility to administer carefully and with economy the money that they have screwed out of the people by the excessive rates of taxation which they impose on them.

Mr. Argue: They are going to loosen the screws pretty soon.

Mr. Fulton: All these things and others, as I say, are beginning to convince me that we did make a mistake in entrusting these powers to the government in 1951.

Mr. Speaker: Order. The hon. member should confine his remarks to any mistakes he made with respect to this measure.

Mr. Fulton: Of course, Mr. Speaker, the thing in respect to this measure which above all others convinces me that we were mistaken is the supreme arrogance shown by the government in laying this measure before us this afternoon, and the way in which they have brought before us a measure which is perhaps one of the most important to come before this parliament at this session, asking for the continuation of these emergency powers; and yet they do not bother to give the Canadian people the courtesy of an explanation of why it is necessary that they should be continued.

As I was saying when the minister interrupted, in order to take the pressure off, the Prime Minister said—

An hon. Member: No pressure.

Mr. Fulton: The Prime Minister stated explicitly in 1951 that they were asking for powers far wider than any they might ever have to use. They did not justify them then. They have not justified them since; and they have not tried to justify them this afternoon or this evening.

And, Mr. Speaker, I say now that this parliament will be betraying a trust reposed in it by the people who elected it if they swallow that insult and continue these powers.

Then the Prime Minister in 1952 again favoured us with a speech—somewhat shorter than he made in 1951, but still a speech. There he took the opposite tack to the one he took in 1951. I imagine that the Prime Minister, finding that he said one thing in 1951 and another in 1952 which could not possibly be reconciled, used his discretion this afternoon to keep absolute silence.

Mr. Knowles: So he walks out.

Mr. Fulton: Yes, so he walks out. In 1951 he told us the government was taking powers greater than it would ever need. In 1952 it was quite different. In 1952 the poor government, he says, far from seeking to impose upon parliament and the people powers away beyond what is proper, does just the opposite, and saddles itself with responsibilities far greater than it had before. Here is what the Prime Minister said, as reported at page 2558 of *Hansard* for May 26, 1952:

> In reality the purpose—

That is, the purpose of the legislation.

> —was to increase the responsibility of the government, subject to the control of parliament, to meet such emergencies as it might suddenly become necessary to deal with in order to preserve the peace, order and good government of the country in the then threatening international situation. It was not that the government wanted greater powers. It was passed because it was deemed to be a wise precaution to make it the responsibility of the government to act quickly if and when prompt action might be necessary, and to be able to take such action without proclaiming the more sweeping War Measures Act unless it became absolutely necessary to put that act into operation.

An hon. Member: What is wrong with that?

Mr. Fulton: Now I am sure that you, sir, and my hon. friend opposite who interrupts, and all the rest of us, will have great sympathy with the government because, poor creatures that they are, they have saddled themselves with this responsibility far beyond anything that they might ever have believed it was necessary they should assume.

I would be interested, I would be pleased, and my constituents would be pleased, and the constituents of every hon. member in the house would be pleased, to relieve the government of those responsibilities.

Mr. Knowles: And the responsibilities of office, too.

Mr. Fulton: If the government feels that it has assumed these responsibilities far beyond what they should be called upon to assume, and if they are staggering under that burden, as the Prime Minister suggested in May of 1952, then why do they not come before us today and tell us why they must continue? Why do they not come before us now and say, "We do not want to have to continue this burden, and would gladly lay aside the burden which the responsibilities of our office forced us to shoulder in 1951. But for this reason, and that reason, and the other reason it is impossible, and it would be unwise for us to lay aside that burden".

But, no. Here they have parliament, a parliament not anxious to see the government saddled with this heavy burden, a parliament which would be glad to help the government share the burden and to relieve it of that burden. But, sir, we are denied an explanation. We are denied an opportunity. We are denied in the first place the right and opportunity to exercise our own functions and our own responsibilities. The government assumed them. And now we are denied the right to take those responsibilities back, although the government says that it is simply staggering under the load which it has thus reluctantly and unwillingly assumed.

This whole procedure is a farce.

Mr. Pearson: Hear, hear.

Mr. Fulton: This whole procedure is a farce—this whole procedure which the government invites parliament to go through is not only a farce but an insult. And the insult will not be redressed—

An hon. Member: Order.

Mr. Fulton: The insult will not be redressed until the Prime Minister, who introduced the resolution and asked parliament to approve it, appears before the House of Commons, of which he is the head and to which he is responsible, and tells us why we should approve this resolution.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, certain developments since three o'clock this afternoon have been, to say the least, most astonishing. During my thirteen years—almost thirteen years—as a member of the house, I have not until this time seen anything like it. It has created suspicion in our minds. It has created doubts in our minds. As the situation stands at the moment we simply cannot lend our support to the motion now before the house.

The performance of the Minister of Public Works (Mr. Fournier), the house leader, has been strange, to say the least. He has been nervous. He has been touchy. He has been on his feet more frequently than during any comparable period of time at least during the years I have been in the house.

Mr. Speaker: Order.

Mr. Fournier (Hull): Mr. Speaker, he is making a sick man out of me.

Mr. Green: That is what you are, too.

Mr. Speaker: The hon. member must discuss the motion before the house.

Mr. Fournier (Hull): I am not part of this resolution.

Mr. Shaw: The minister may not be part of the resolution, as he asserts, but certainly his actions have—

Mr. Fournier (Hull): Mr. Speaker, if the hon. gentleman is going to discuss my appearance in the house and whatever I think or do, whether I smile or weep or do anything else, I think we should have a special debate on the subject. I may tell you, sir, that I could give the hon. member a true picture of myself in the time I have been listening to speakers from the opposition.

Mr. Adamson: I have never been able to understand why you are not chosen one of the best-dressed men in Canada.

An hon. Member: No bow tie.

Mr. Shaw: I would not want the Minister of Public Works to assume that my references to him give me any great pleasure. I simply made these references in order to indicate why the spectacle of the last several hours has appeared so strange to me.

This afternoon the Minister of Justice (Mr. Garson) engaged in a rather astonishing performance. In his efforts to keep out of the debate he outmanoeuvred himself, and forced himself into the debate in a most peculiar fashion. Sometimes I have wondered whether it was not done by design, deliberately, so that he would not have the opportunity of

doing the very thing we hoped he would do in connection with the matter now before us.

This afternoon my leader made a very fair proposition to the house and the government. In effect he asserted that we were not in a position at that time to commit ourselves definitely with respect to the motion before the house. He anticipated that surely the Minister of Justice (Mr. Garson) or most certainly the Prime Minister (Mr. St. Laurent)—at least some cabinet minister—would stand in his place and make a statement to the house. In fact I think he even assumed that if there was not a cabinet minister prepared to do it they might be able to push a parliamentary assistant into the procedure and let him take the consequences.

An hon. Member: The hon. member for Springfield (Mr. Sinnott).

Mr. Shaw: Conceivably the hon. member for Springfield.

Mr. Sinnott: That is quite a compliment.

Mr. Shaw: In fact my leader had hoped that even before the Leader of the Opposition (Mr. Drew) had spoken, even before the acting leader of the C.C.F. had spoken, even before the hon. member for Peace River (Mr. Low) had spoken, the Minister of Justice (Mr. Garson), if not the Prime Minister (Mr. St. Laurent) or some other cabinet minister, would have offered or would have fought for the floor in order to indicate two things; first, what has been done under the act during the past year, and second, what are the reasons why the government is asking at the present time for an extension of the act.

It was asked a few minutes ago: Why is it that certain persons voted for it in 1951, again in 1952, and are not prepared to support it at the present time? Conceivably the government has heard of the expression "loss of confidence". I am not going to assert for a moment that we had very much confidence in the government two years ago or a year ago, but I will concede that we may have had some. However, I am quite prepared to assert that we have less at the present time. Less can be very near to that point which could be designated as none. When the resolution was called this afternoon we had hoped that the Prime Minister would be here to indicate to the house those things which we anticipated the government would indicate to us. It was mentioned today that conceivably he was very busy. We will concede that point; we assume that he is very busy at all times. However, we could not understand why the government could not have deferred consideration of this measure until a day when the Prime Minister would find it possible to be here.

When I came into the house at eight o'clock I was delighted to see that the Prime Minister was here. I was amazed when I looked up later and noticed he had gone. He may be very busy tonight and I am prepared to concede that, but once again it should not have been difficult for the Minister of Justice to take the appropriate action so that this measure could be considered again at another time. I noticed recently that he and other ministers did that with respect to certain matters that were before the house.

We consider that this is one of the most important measures, if not the most important, that we shall be called upon to consider during this session. I note that in the preamble to the Emergency Powers Act of 1951 reference is made to the War Measures Act. This is what the preamble says in part:

> —it is not desirable that the wide powers conferred by that act to interfere with the fundamental liberties of the individual should now be brought into operation:

On that basis the Emergency Powers Act would suggest that the powers conferred upon the government were very limited in extent, extremely limited, and in fact would have actually very little effect upon the people of Canada. Yet when I look at section 2 of the act I find subsections (a), (b), (c), (d), (e) and (f). When I look at those I ask myself if there is any aspect of life in Canada today that would not be covered in some way or other by those six subsections of section 2. I shall quote the exact words of the subsections, which are as follows:

> (a) control and suppression of maps, plans and photographs;
>
> (b) control of communications and means of communication;
>
> (c) control of the harbours, ports and territorial waters of Canada and the movements of vessels;
>
> (d) transportation by land, air or water and the control of the transport of persons and things;
>
> (e) trading, exportation, importation, production and manufacture; and
>
> (f) imposition and recovery, in connection with any scheme of control, of fees or charges payable to the Receiver General of Canada or into any fund or account established by order or regulation for the purposes of the scheme of control.

That is just about as all-embracing as anything could be. It becomes extremely significant when you look at section 3 and find this:

> (1) The governor in council may prescribe penalties by way of fine or by way of imprisonment for a term not exceeding five years, or by way of both fine and such imprisonment, that may be imposed for violation of orders or regulations made under this act—

In the first place the government is asking for authority to exercise complete and supreme control with respect to all those aspects of human life which I have just

enunciated, and then to be able to say to the Canadian people, "we demand the right as governor in council to prescribe penalties which may result in Canadian citizens spending up to five years of their lives in prison, probably plus the payment of fines". This is extremely serious. During the last war we gave support to the measure which this measure ultimately replaced, but that was because of the most extraordinary conditions which exist during a war when the very existence of the nation is at stake. After the war we gave support to the granting of extraordinary powers to enable us to pass through the transitional period. In 1951 we gave support. In 1952 we gave support.

But our loss of confidence in the government has been so great since 1952 that we are not prepared to accede to the government's request to give them these blanket powers, particularly when the minister has, should I say, refused to stand on his feet at this—

Mr. Garson: On a point of order.

Mr. Shaw: On a question of privilege, will the Minister of Justice let me finish my sentence before he undertakes to rise to a point of order.

Mr. Garson: Finish the sentence.

Mr. Sinnott: Get some help.

Mr. Fournier (Hull): Where is the rest of that sentence?

Mr. Shaw: Let the minister go ahead and bring up his point of order.

Mr. Garson: When my hon. friend suggests that I refused or was guilty of something which was equivalent to refusal, I think he is being very unjust indeed because I have made it as clear as I possibly can that the attitude which we have taken is in compliance with the ruling which Your Honour made concerning standing order 60 of the house. I am extremely anxious that the house pass this resolution and get into committee. Then my hon. friend may be quite bored for I will certainly give the committee plenty of explanation about the terms of the bill.

Mr. Shaw: Had the minister allowed me to finish the statement I had intended to make, he would have heard me say that he had refused to stand on his feet and give us the information we wanted at this time. He did not let me say those three words. In the second place, Mr. Speaker, I am absolutely amazed that Your Honour would permit the Minister of Justice to stand on his feet and imply that we have been out of order since three o'clock this afternoon, and that is exactly what he has done by the statement he has just made.

Mr. Speaker: It is within the right of any hon. member to suggest that any other members are out of order. If it is brought to my attention I will decide whether or not they are in order. Never at any time can an hon. member be prevented from bringing to my attention something that he thinks is not in accordance with the rules.

An hon. Member: Try again.

Mr. Garson: On another question of privilege—

Mr. Argue: This is the thirteenth time.

Mr. Garson: —I am not suggesting for a moment that my hon. friend is out of order or in order. I find it keeps me busy to keep in order myself, and that is what I have tried to do today.

Mr. Shaw: Mr. Speaker, so much for the point of order. May I suggest to the Minister of Justice that he might have been able to procure a greater amount of support for this measure if he had agreed to do what he could quite well have done—stand up as soon as the motion was put and indicate to the house that he was prepared at that time to tell us what had transpired under this measure during the past twelve months and list the reasons why the government feels that the house should be asked to give approval to the extension of these powers for one year. I am still trying to determine to my satisfaction why the minister did not do that. He has alienated certain support by not doing so, and certainly he has been responsible for a good deal of the time of the house being occupied in consideration of the matter.

I realize that the minister has asserted that there will be a more appropriate time, but I think that events have established the fact that he has already missed the most appropriate time. It has been pointed out several times today that in 1951, upon the moving of a similar motion concerning this measure, the Prime Minister was here to make a statement. I wonder why the Minister of Justice has not deemed it advisable to do the same thing today. I believe the same thing was done in 1952 when a similar motion on the order paper was called. I say, I wonder why the Minister of Justice was not prepared to follow that course. But even more important than that, Mr. Speaker, I wonder why the Prime Minister himself was not prepared to do it. Certainly I think in fairness to him someone should have indicated the reason

for his absence, if it could be given. In fairness to the Prime Minister the Minister of Justice should have done that.

We can only assume that the government does not have a good reason. We cannot accept the reason advanced by the Minister of Justice thus far. We must conclude that there is no good reason. The minister may say: If you allow us to get into committee I shall give you all the information that you may require. But let us not forget that in order to make that move we are being placed in a position where in fact we are giving endorsation of the government's proposal that the house resolve itself into committee for the consideration of a specific measure. I know that the minister is probably going to argue again that it is merely a motion for the Speaker to leave the chair. The minister has argued that, but I think stronger arguments have been advanced from this side of the house. The hon. member for Winnipeg North Centre drew to the attention of the house the consequences which would attend upon the defeat of this motion.

Mr. Garson: Will my hon. friend permit a question?

Mr. Shaw: Yes.

Mr. Garson: Will he not agree that it is on the second reading of a bill that a vote is taken on its principle?

Mr. Shaw: That is correct; but by agreeing that Mr. Speaker shall leave the chair and that the house shall resolve itself into committee for the specific purpose of discussing this specific measure it places us in a position where we are agreeing that we will allow the government to take the first step toward the accomplishment of something, the wisdom of which may be highly questionable at this particular time.

Mr. Garson: You can defeat the resolution in committee if you wish to.

Mr. Shaw: Pardon?

Mr. Garson: You can defeat the resolution in committee if you wish to. All that is sought by this motion is that the Speaker leave the chair in order that the chairman of the committee—

Some hon. Members: Order.

Mr. Garson: —may put the resolution, and then my hon. friend can vote against it if he wants to do so.

Mr. Shaw: It is difficult for me to understand why the Minister of Justice persists all the time in only putting half of the proposition. That is not the entire proposition at all. I realize fully that there is a motion for the Speaker to leave the chair; but why put your period, or whatever other punctuation mark you want, at that point? That is not the end of the proposition. It is only part of it. The resolution on the order paper is definitely a part of that motion. May I remind the Minister of Justice again that if he had agreed to make a statement, which undoubtedly need not have been a long one, he could have answered certain of the questions that are troubling us and have been troubling members of the house for a long time. What has been done during the past twelve months under the provisions of the act? What are the reasons for requesting extension for another twelve months? I am not saying he would, but I think the Minister of Justice could have answered those two questions in a few moments, in fact in less time than he took in the house this afternoon when he became almost hopelessly involved in a discussion of rules.

Let me remind the house, Mr. Speaker, that when my leader spoke this afternoon he advanced a very fair proposition as far as we were concerned. He indicated that under the circumstances which existed at that time he would await word from the government before we would make a decision with respect to how we might vote. That word has not been forthcoming. We anticipate that it will not be forthcoming. Therefore we must advise the house that we intend to vote unanimously against the motion that Mr. Speaker leave the chair and that the house resolve itself into committee for the purpose of considering the resolution which is before the house at the present time.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, as a new member of this parliament this seems to me to be quite an important question. During the debate several questions were raised which caused me to give some consideration to taking part in it. A short time ago a question was put to an hon. member on this side of the house. He was asked why he did not oppose extension when this matter came up a year ago. I am one of those members who have never supported the Emergency Powers Act or the extension of it. I am also one of those members who feel that it is a debatable question. I deem it my duty, in so far as I am able, to place on the record the feeling of the people of this country whom I have met in relation to these all-embracing powers that the government wishes to take away from parliament. Now, it is just possible that, if the people of this country did not feel the government was taking away too much power

from parliament, I might not be here. Therefore, it seems to me that if I were to support this motion that the Speaker leave the chair and this matter be discussed in committee I would be failing in my duty to seek an explanation for the necessity of this act. I may be wrong. I do not know too much about the procedure of this house as yet. I feel that this debate this afternoon has been a good thing. I feel that when an important matter like this is brought up, and the motion is that the Speaker leave the chair to discuss the resolution, there should be some explanation as to why the resolution should be discussed.

As I look back over the events I find that the act was passed in 1951 for one year, with the possibility of an extension. Without going into all the details which previous speakers have touched upon, I find that even when the government requested an extension of the act last year they did give reasons for requesting that extension. I have a notion that the Minister of Justice (Mr. Garson) perhaps feels now that he could have saved a great deal of time, and it would have been a fairer thing, if he had given reasons this afternoon for requesting this extension. If this extension is not necessary, then the matter should not be brought before this house. It is true that the various arguments to which I have listened have been one-sided, and perhaps that is another reason why I should like to get in on a one-sided scrap.

This Emergency Powers Act covers a lot of territory. From what I have been able to learn during the debate this afternoon, these powers have not been used by the government to any great extent. I may be wrong again, and if I am I stand ready to be corrected. In most of the cases in which these powers have been used, the same emergency could have been met by other legislation. I notice that, according to section 4 of the act, if a real emergency arises the government has the power to proclaim the War Measures Act. I feel that if a real emergency does come upon us which requires the use of emergency powers such as those set out in this act, then it will be an emergency very close to actual war. If we ever meet that emergency, it seems to me the government has the power and would proclaim the War Measures Act at once.

The reasons which were given for requesting the last extension of the act do not seem to me to be valid today. At least, nothing has been put forward to convince me that we should be asked to consider a measure such as this. I must, therefore, agree with my leader that before any other step is taken we should have an explanation of the reason for requesting this extension, and an opportunity of deciding whether or not we want to consider this act. Apparently the explanation given when the bill was introduced in 1951, and when it was extended in 1952, was sufficient to satisfy the members of all parties that the house should go into committee to discuss the measure. The motion, therefore, was not debated. Since no explanation has been given today, I believe it is only right and proper that we debate the motion. It is the duty of every hon. member to state his reason for feeling that he cannot support the motion. I have a strong feeling that if I, after having listened to this debate, had remained quietly in my seat, I would have been met by people in my constituency who would ask why I had consented to allow the government to extend this emergency act without any reasonable explanation being given. The government is seeking to take away my rights as well as the rights of all hon. members in this parliament through the passage of this measure. As I understand it, if this legislation is passed it puts certain powers in the hands of the government by which the liberty of the subject could be curtailed, as well as the rights of property affected. Without any explanation given as to the necessity for such a measure, Mr. Speaker, I cannot support the motion before the house.

Mr. R. R. Knight (Saskatoon): I do not propose to debate this resolution at any length. I do not feel that I am competent to debate it at any length.

Some hon. Members: Hear, hear.

Mr. Knight: My hon. friends on the other side say "hear, hear". I do not know the gentlemen who said "hear hear", but I would not mind taking them on in a little debate, with competent judges, on any particular subject they would mention. I am here to explain my position or, I might say, my changed position since this afternoon. The resolution, as I see it, is:

> That it is expedient to introduce a measure to amend the Emergency Powers Act to provide for the continuation of the act for a further period of one year, that is from the thirty-first day of May, 1953, to the thirty-first day of May, 1954.

The terms of that resolution seem strangely familiar. They are familiar because I know that we have dealt with the same type of resolution before. On those occasions I supported the resolution because I thought the continuation of the emergency powers was necessary. Now, I want to ask the Minister of Justice (Mr. Garson)—I am well aware that no purpose is served by asking him because he will not tell us—what is the reason for extending these emergency powers? Why,

and in how many cases, have these emergency powers been used since the last time they were requested? As I said, when I came into the house this afternoon I was resolved in my own mind that, provided we had a proper explanation of the necessity for this legislation, I would be prepared to support it. I expected to support it. I now expect to oppose and I shall leave it to the Minister of Justice to guess for himself the reason why. Before I voted for the resolution I wanted a statement from the Minister of Justice. Now, before I vote against the resolution, I should also like a statement from the minister. By the look of the clock, I imagine that the minister will likely have an opportunity to think about the matter over the week end.

While I am at it, I also want to protest the method employed by the minister this afternoon and this evening in the handling of this resolution. I say that in all sincerity and without any personal animosity. When the minister rose to speak tonight, in view of his previous interjections on certain points of order I think every member in this house—certainly everyone to whom I spoke in regard to the matter—thought that the minister was talking on a point of order. While he did not actually use the phrase "point of order" when he rose to his feet, when he reads tomorrow what he said tonight I think he will say that we have a fairly good case for thinking that he was in fact speaking on a point of order. Then having made a little speech on the point of order, as we thought, he promptly sat down and said, "Now I have made my speech; I can speak only once in this debate"; and he appealed to the Speaker and was sustained. He said: "I have done my talking; I can now talk no more and so I shall give no explanation of the matter."

I would also protest about another matter. I see that this resolution is sponsored by the Prime Minister (Mr. St. Laurent). When a resolution of this importance is entered upon the order paper in the name of the Prime Minister, I would suggest that it should be introduced by the Prime Minister. In other words, I think that either he should have been here to move his own resolution or, if that were impossible, the bringing in of the legislation should have been postponed until such time as he was here to introduce the resolution.

So far as I am concerned, I am not prepared to vote this government any power. I think it now has too much power. I think that this procedure—and I think it is a sad thing—is just another example of the arbitrary acts of a government which has enjoyed power too long. We are becoming accustomed to it. As I have said, in our opinion this government now has too much power. In my present frame of mind at least, I certainly do not intend to vote them any more power for a year or for any other period.

I could cite examples of the kind of thing to which I have referred. I suppose the most famous example, and the one which will not soon be forgotten by the people of Canada, was the statement by the Minister of Trade and Commerce (Mr. Howe) when he said: "If we want to do it, who is going to stop us?" I suppose the Minister of Justice tonight takes the attitude, "If I want to move this resolution instead of the Prime Minister, who is going to stop me? If I am going to get this legislation through the house, who is going to stop me?" May I remind him that in this parliament we at least have one thing. It is a great thing to live in a democratic country. We at least have our right to speak and to express our opinions upon the matter.

I remember when that legislation was introduced in 1951. I think it was introduced to cover a period of one year only. Since that time it has been renewed. I again ask the minister: Why are these emergency powers necessary? Why has no member on the government side spoken in this debate?

I think, Mr. Speaker, that I have at least made my own position clear even if I have not contributed too much to the discussion of the subject itself.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I am sure that many hon. members must be puzzled by the course which this debate has taken. I think we can all agree that it is unique. I do not think I have ever listened to a debate in which the minister who was supposed to introduce a motion did not make a speech and who, during the course of the debate, made one to show why he should not make one. As I review the situation I find that on the order paper there appears a resolution which reads as follows:

> That it is expedient to introduce a measure to amend the Emergency Powers Act to provide for the continuation of the act for a further period of one year—

In the course of his reasoning as to why he should not make a speech, the Minister of Justice (Mr. Garson) referred to standing order 60. As it appears in Beauchesne's second edition, standing order 60 is as follows:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

In the first place, this resolution stood for at least a day. Today it appears on the order paper and now the motion has been made that the Speaker do now leave the chair for the house to go into committee of the whole to consider this resolution. Under standing order 38 the motion is debatable, as I see it, under paragraph (a) or paragraph (i). The standing order reads as follows:

(1) The following motions are debatable: Every motion—

Mr. Deputy Speaker: Order. Is the hon. member speaking to a point of order?

An hon. Member: He would not know.

Mr. Browne (St. John's West): If you are asking me a question, Mr. Speaker, may I say that I am speaking to the motion that the Speaker do now leave the chair, which I understood was argued by the Minister of Justice and the Minister of Public Works (Mr. Fournier).

Mr. Fournier (Hull): I did not argue it.

Mr. Browne (St. John's West): Perhaps I am more in order than were those who preceded me, Mr. Speaker.

Mr. Deputy Speaker: If the hon. member wants to adhere to the ruling which was referred to in this debate and which appears in the *Journals* of June 18, 1952, and if he wants to be strictly in order, he will direct his remarks to the negative of the question and state his reasons why he believes the Speaker should not leave the chair for the house to go into committee of the whole to consider that resolution. What I heard the hon. member say was that the minister should have made a speech on the resolution and should have given some explanation.

Mr. Fulton: That would be in the negative, Mr. Speaker.

Mr. Deputy Speaker: Yes. The hon. member for Kamloops (Mr. Fulton) expressed his opinion a moment ago. I can well realize what his points of view are. But the ruling which is now invoked is one by which the members of the opposition can indicate their objections to the Speaker's leaving the chair for the house to go into committee of the whole to consider this resolution. The minister who is moving this resolution is adhering to the ruling as well.

Mr. Knowles: The Prime Minister moved it.

Mr. Deputy Speaker: Order. He is adhering to the ruling as well by listening to the objections which are raised on the opposition side. Of course the only point which according to this ruling, as I understand it, might be arguable on the part of the opposition as to the attitude of the Minister of Justice has to do with this portion of Mr. Speaker's ruling which reads as follows:

If any members are opposed to the resolution, and do not think that it should even be considered in the committee of the whole, or if they require additional information before agreeing to the motion, they should be given an opportunity to speak on the motion.

That is exactly what the members of the opposition are doing now and have been doing for some time. Then the Speaker went on:

The minister should endeavour to answer the objections which have been raised and to give the information requested.

Mr. Green: That is what he has not done.

Mr. Deputy Speaker: Order. The minister has explained the position which he was taking, and indicated that as soon as we reached the committee stage he would be very glad to give all the information which was required by hon. members. Members of the opposition still voice their objections and bring into the discussion the attitude taken by the minister, and that has taken much of the time of the discussion which I think should be relevant to the motion and should address itself to the negative of the motion. I suggest that perhaps we have heard enough as to the criticism of the attitude taken by the mover of the resolution. It has been repeated over and over again. It looks as though both sides tried to adhere to the ruling of June 18, 1952, and one reproaches the other for not having adhered to it properly. I think that we ought to direct our remarks to the negative of the motion and leave this procedural question for the time being.

Some hon. Members: Ten o'clock.

Mr. Knowles: On a point of order, may I draw attention to the fact that the original mover of the motion was not the Minister of Justice but the Prime Minister. We are still hoping that at some stage of the debate, since the Minister of Justice is not prepared to reply, the Prime Minister may see fit to do so.

Mr. Browne (St. John's West): As you read that ruling given by His Honour the Speaker in June, 1952, I think you said he considered that the minister, after hearing the objections to the motion for the Speaker to leave the chair, should then give his explanation why the Speaker should leave the chair. The Minister of Justice has declined to do that. His speech consisted of reasons why he should not do it. I know he is prepared to

do it when we go into committee but our position is that he should do it before we go into committee.

Mr. Fournier (Hull): You are commanding him to do it now.

Mr. Browne (St. John's West): Yesterday we had similar resolutions on the order paper and the Minister of Resources and Development (Mr. Winters), sitting behind the Minister of Justice, gave an explanation of one of the resolutions before we went into committee of the whole.

Mr. Fournier (Hull): On a point of order, I should like to know what we are discussing. Are we discussing a point of order or the resolution. What is this, anyway?

Mr. Browne (St. John's West): If the Minister of Public Works cannot understand my language I cannot do anything to help him.

Mr. Fournier (Hull): What are you talking about?

Mr. Browne (St. John's West): I am trying to explain for the benefit of everybody. For the benefit of the minister I will start all over again.

Mr. Fournier (Hull): I hope the hon. member will not be permitted to repeat what he has said, Mr. Speaker.

Mr. Browne (St. John's West): The Minister of Public Works did not understand it. What am I going to do? I should like everyone to understand it.

Mr. Fournier (Hull): I do not try very hard to understand what you have to say.

Mr. Browne (St. John's West): It is a very important point to have settled, and it does not seem to have been settled definitely by the Speaker in his ruling of June, 1952. When I refer back to 1951, at which time a similar resolution was introduced for the first time, I find that we had a debate lasting a day without any controversy on the point at all. On February 20, 1951, the Prime Minister moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to empower the governor in council to do and authorize such acts and things—

This resolution that we are supposed to consider in committee is only an extension of the act that followed as a result of the consideration of that resolution in 1951. I cannot see how the Minister of Justice can be right tonight and the Prime Minister right on February 20, 1951. One of them must be wrong. The procedure is not the same.

[Mr. Browne (St. John's West).]

The procedure being followed now is different, and I am inclined to think the Prime Minister was right in 1951, and that this has been the practice that has generally been followed.

Mr. Garson: On a point of order, may I call my hon. friend's attention to the fact that the ruling in question made by His Honour the Speaker was after the Prime Minister had moved his resolution in 1951.

Mr. Browne (St. John's West): I am quite aware of that, but the Speaker did not rule that the Prime Minister, in acting as he did on February 20, was out of order, because the Prime Minister gave an explanation of the matter when he introduced the subject.

There are half a dozen or more similar resolutions on the order paper today.

Mr. Fournier (Hull): What happened last night on a similar resolution? Last night we had a resolution similar to this and the Minister of Resources and Development rose in his place and said he would answer questions in committee.

Mr. Browne (St. John's West): No, he did not say that, Mr. Speaker.

Mr. Winters: On a question of privilege, I think the hon. member for St. John's West may be confused. Two resolutions were introduced in my name. The first resolution introduced had to do with the bill on water conservation. The question came up as to whether the debate should take place with the Speaker in the chair, and hon. members will recall the controversy that developed at that time. It arose because some hon. members attempted to discuss the South Saskatchewan river project.

When the second resolution came up last night, having to do with the historic sites and monuments bill, I raised the point that the motion before the house was one that the Speaker should leave the chair and suggested that a debate at that stage might prove equally controversial, and asked permission of hon. members to make my statement in committee of the whole. Hon. members unanimously and very kindly agreed to that.

Mr. Deputy Speaker: It seems to me that we are not going to make further progress this evening, but I hope that, whenever we resume debate on the resolution, perhaps we can leave aside for the time being the controversial point as to when the minister should or should not speak. Because as long as this ruling is there—and it is one which has been adhered to, to a large extent—we shall not make any progress by always invoking arguments against or in favour of the ruling which has been made.

It seems to me that this is a matter which could be considered further by the committee on procedure. Perhaps that committee will eventually bring a solution to what has been a problem for some time. Shall I call it ten o'clock?

Mr. Browne (St. John's West): May I move the adjournment of the debate?

Mr. Drew: Mr. Speaker, since you have raised the point in regard to the practice that is involved, I would point out that there is a very definite reason behind the argument that has been made. It is the opinion of those who have been presenting this argument that the question is very much before the house as to whether the Speaker should leave the chair at all to consider this motion. It is our contention that he should not, and it is our contention that there is nothing in any decision that has been made that precludes the arguments being presented against this course being followed.

Mr. Fournier (Hull): I agree with the Leader of the Opposition, and probably he may be the only one who spoke to the point and who was in order.

Mr. Knowles: Order.

Mr. Fournier (Hull): I did follow his speech. He tried to discuss the negative of the resolution. He was perhaps at times a little out of order, but he tried to stick to it. But if one were to listen to all the other speeches, especially to the one by the hon. member for Winnipeg North Centre (Mr. Knowles)—

Mr. Knowles: Order.

Mr. Fournier (Hull): He was far afield.

Mr. Deputy Speaker: Before the leader of the house announces the business for Monday, in view of the remarks of the Leader of the Opposition (Mr. Drew) I should like to clear up one point. I hope that nothing in my remarks will be taken to imply that I consider at any time that hon. members are not allowed to speak to the negative of the motion—that is, to explain their objections as to why Mr. Speaker should not leave the chair. I certainly did not wish to imply any such thing.

The hon. member for St. John's West (Mr. Browne) has moved the adjournment of the debate.

On motion of Mr. Browne (St. John's West) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday we will continue consideration of the motion to go into supply, and call the following departments: external affairs, transport, labour, agriculture and justice. And then the Secretary of State for External Affairs (Mr. Pearson) will move to refer his estimates to the standing committee on external affairs.

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

HOUSE OF COMMONS

Monday, February 9, 1953

The house met at 2.30 p.m.

RAILWAYS, CANALS AND TELEGRAPH LINES

THIRD AND FOURTH REPORTS OF STANDING COMMITTEE—CONCURRENCE IN THIRD REPORT

Mr. H. B. McCulloch (Pictou) presented the third and fourth reports of the standing committee on railways, canals and telegraph lines, and moved that the third report be concurred in.

Motion agreed to.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 111, to incorporate the Mercantile Bank of Canada.—Mr. Macnaughton.

QUESTIONS

ARMED FORCES—ENLISTMENTS, DISCHARGES, ETC.

Mr. Coldwell:

1. How many men have applied for enlistment in the Canadian armed forces during the last 12 months?
2. Of these, how many (a) were rejected on psychiatric grounds; (b) were accepted?
3. Of those who were accepted, how many (a) were later discharged; (b) were discharged on psychiatric grounds?
4. How many men have been repatriated from Korea for medical reasons?
5. Of these, how many were on psychiatric grounds?
6. What preventive measures are being taken at recruiting centres to minimize the entry into the Canadian armed forces of psychologically unsuitable personnel?

Mr. Campney:

1. During the period November 1, 1951, to October 31, 1952, 55,491 applications for enrolment as other ranks were disposed of, i.e., accepted or rejected by the three services.

2. (a) 576.

(b) 26,596.

3. (a) Total releases from the Canadian armed forces for the period November 1, 1951, to October 31, 1952, were 12,495.

(b) During the same period 926 were released from the Canadian armed forces for reasons classified as psychoses, psychoneurotic disorders or disorders of character, behaviour or intelligence.

4. 1,267.

5. 189 for the same reasons listed under 3 (b) above.

6. A documentary check of each recruit's background is made. Aptitude and general intelligence tests are given. If at any time during the examinations it appears that a prospective recruit might not be suitable, he is examined by the neuro-psychiatric consultant. The army has just introduced a comprehensive personality test for recruits specifically designed to reveal psychological weaknesses. The success of this test will determine whether it will have a wider application.

ARMED SERVICES—EDUCATIONAL STANDARDS

Mr. Harkness:

1. What are the educational standards at present required for enlistment in the (a) navy; (b) army; (c) air force?
2. On what date were these educational requirements put into effect?

Mr. Campney:

1. Educational standards required for the enrolment of men in the Canadian armed forces as at January 31, 1953.

Navy: The educational standard for the enrolment of men in the Royal Canadian Navy is successful completion of elementary schooling. Educational standards required for the enrolment of tradesmen are higher depending on the particular trade.

Army: The suitability of applicants for enrolment in the Canadian army is tested by aptitude and intelligence tests.

Air Force: The educational standard for the enrolment of men in the Royal Canadian Air Force is successful completion of elementary schooling. Aircrew trainees must have a minimum of junior matriculation to be eligible for enrolment, although a candidate with one year less than junior matriculation will be considered if he has other compensating attributes.

Veterans of the Canadian armed forces and skilled tradesmen are given special consideration for enrolment in the services.

2. Navy: early 1948; Army: since 13 November, 1951; Air Force: enrolment of men, January, 1951; enrolment of aircrew, since 31 May, 1952.

Questions

FERGUSON GULLY, N.B., DREDGING

Mr. Robichaud:

Will the dredging operations at Ferguson gully, in the county of Gloucester, New Brunswick, for which an amount of $32,000 was provided in the 1952-53 estimates, be performed during 1953, by a departmentally-owned (P.W.D.) plant?

Mr. Fournier (Hull): Dredging is being considered for performance by departmentally-owned plant.

GRAIN PERMITS, 1951-52

Mr. Juras:

1. During the crop year 1951-52, what was the number of grain permits issued in each of the three western provinces?

2. During the same period, what was the farmers' monthly marketing of wheat in Manitoba, Saskatchewan and Alberta?

Mr. McIlraith:

1. The number of Canadian wheat board delivery permits issued to producers in each of the three western provinces during the crop year 1951-52 was as follows:

Manitoba	43,227
Saskatchewan	114,459
Alberta	73,342
Total	231,028

2. Official grain marketings as issued by the board of grain commissioners for Canada are compiled on a weekly basis and not by months. Producers' marketings of wheat in Manitoba, Saskatchewan and Alberta during the crop year 1951-52, by approximate calendar months, as accumulated from official weekly figures, were as follows:

Approximate monthly period	Manitoba	Saskatchewan	Alberta	Total
		(Bushels)		
Aug. 1-Aug. 30	668,223	2,322,290	2,027,812	5,018,325
Aug. 31-Sept. 27	7,605,626	22,887,250	8,498,872	38,991,748
Sept. 28-Nov. 1	16,266,666	64,933,232	27,554,860	108,754,758
Nov. 2-Nov. 29	3,721,330	18,659,440	10,922,579	33,303,349
Nov. 30-Dec. 27	2,529,310	19,727,453	12,046,982	34,303,745
Dec. 28-Jan. 31	2,426,926	17,342,821	7,634,621	27,404,368
Feb. 1-Feb. 28	1,446,458	12,802,292	7,208,619	21,457,369
Feb. 29-Apr. 3	1,948,302	15,493,575	7,094,560	24,536,437
Apr. 4-May 1	1,986,957	19,750,083	11,248,756	32,985,796
May 2-May 29	2,091,753	31,084,041	16,754,374	49,930,168
May 30-July 3	2,120,670	26,505,355	11,695,402	40,321,427
July 4-July 31	1,540,865	20,485,324	9,745,653	31,771,842
Total	44,353,086	271,993,156	132,433,090	448,779,332

GAGETOWN TRAINING AREA—PURCHASE OF PROPERTY

Mr. Brooks:

1. How many properties belonging to individuals will it be necessary for the Department of National Defence to purchase in the proposed Gagetown military training area?

2. How many offers for purchase have already been made to date, and how many have been accepted?

3. What factors is the department taking into consideration as a basis for the purchase price of these properties?

Mr. Campney:

1. As a number of transfers and subdivisions have been carried out without formal record being made at the registry offices it is not possible at this time to say how many properties belonging to individuals will be affected. The searching of titles to establish ownership is continuing.

[Mr. Campney.]

2. As of February 1, approximately 125 letters containing offers of settlement have been sent to occupants.

3. In considering the amount of settlement, the following are taken into account:

(a) the appraised value of the land;

(b) the appraised value of timber;

(c) the appraised value of buildings;

(d) compensation for disturbance, where applicable.

ALVIN BUILDING, VANCOUVER—WASHROOM FACILITIES

Mr. Green:

1. Are washroom facilities available in the Alvin building, Vancouver, British Columbia, for the use of persons waiting to interview employees of the national employment service or the unemployment insurance commission?

2. If not, will provision be made for such facilities?

Mr. Fournier (Hull):

1. No.

2. No. The Department of Public Works does not provide public washrooms in government buildings under its jurisdiction.

NORLITE BUILDING, OTTAWA

Mr. Diefenbaker:

1. What is the monthly or yearly rate paid by the government for the lease of the Norlite building, in the city of Ottawa?
2. From whom is the said building being rented?
3. Who are the owners of the property?
4. If the owners are a limited company, who are the president, the secretary and the directors of the said company?

Mr. Fournier (Hull):

1. $95,661 per annum.

2. Wittington Investments Limited.

3. Wittington Investments Limited.

4. No information.

UNIVERSITY SCHOLARSHIPS

Mr. Knight:

1. Has the government received a brief from the National Federation of Canadian University Students, asking for action on the Massey commission's report in regard to university scholarships?
2. If so, has it been considered and what action is proposed?

Mr. Fournier (Hull):

1. Yes.

2. The government is continuing to study the recommendation on scholarships and other recommendations of the royal commission on arts, letters and sciences and when decisions are made on these aspects of the report they will be announced by the government in the same manner as were the previous implementations of the recommendations such as those on the national gallery, the national library and financial aid to universities.

R.C.A.F.—CONVERSION OF SQUADRONS FROM CF-100'S TO F-86 SABRES

Mr. Fulton:

1. Have any Royal Canadian Air Force squadrons originally intended to be equipped with CF-100 aircraft been converted to F-86 Sabres instead?
2. If so, how many?
3. Has this resulted in a change in the role for which these squadrons were originally intended?

Mr. Campney:

1. No.

2. Not applicable.

3. Not applicable.

VESICULAR EXANTHEMA

Mr. Harkness:

1. In what areas in the United States is vesicular exanthema of hogs now present?
2. What measures, if any, have been taken to protect the Canadian hog industry against the entry of this disease into Canada when the import of pork products from the United States is again permitted after March 1?

Mr. Gardiner:

1. According to information released by the United States Department of Agriculture, Washington, on January 26, 1953, vesicular exanthema is present in the following states:

California, Maine, Massachusetts, New Jersey, Oklahoma, Rhode Island, Connecticut, Maryland, Missouri, New York, Pennsylvania, Texas.

2. The importation of swine, pork and pork products were restricted under the provisions of the Export and Import Permits Act by order in council P.C. 1234 of March 3, 1952. However, owing to the existence in several states of the United States of America of vesicular exanthema and in order to prevent the introduction of the disease into Canada, a ministerial order, under authority of the Animal Contagious Diseases Act was issued on August 29, 1952, prohibiting the importation of any swine, uncooked pork, uncooked pork products, pork offal and garbage from the United States. It is not the intention of the department to rescind this order until the disease is under effective control in the United States.

NATIONAL DEFENCE—APPLICANTS FOR SERVICE

Mr. Bryce:

1. How many applicants were there for military service in (a) 1950; (b) 1951; (c) 1952?
2. How many of these were rejected in (a) 1950; (b) 1951; (c) 1952?
3. How many of these rejections were for medical reasons in (a) 1950; (b) 1951; (c) 1952?

Mr. Campney:

1. The number of applications for enrolment as men (not including withdrawals of applications made by the individuals themselves) during the periods in question were:

1950	1951	1952	Total
57,364	68,478	54,915	180,757

2. Of these applications, the following were rejected:

1950	1951	1952	Total
39,017	35,061	29,171	103,249

3. Of the applications rejected, the following were for medical reasons:

1950	1951	1952	Total
4,436	8,287	7,993	20,716

Questions

"OPERATION SMACK"

Mr. Stewart (Winnipeg North):

1. Were Canadian troops engaged in "Operation Smack" in Korea?
2. Did the attack include jet dive bombing, artillery barrage and tank support for the infantry?
3. Did newspaper correspondents and senior officers watch the operation?
4. Were they handed a seven page timetable?
5. Was this timetable bound in cardboard covers with a three-colour front page decoration?
6. Did one of the pages have a heading entitled "Scenario"?
7. Was this attack successful?
8. How many U.N. troops were killed, as a result of this operation?
9. How many U.N. troops are missing or wounded, as a result of this operation?

Mr. Campney:

1 to 9. No Canadian troops took part in "Operation Smack"; consequently the Canadian government has no information relating to this matter beyond what has appeared in the press.

25TH BRIGADE—SOUTH KOREAN TROOPS

Mr. Churchill:

1. Have South Korean soldiers been attached to the 25th Canadian brigade?
2. If so, are they serving as separate platoons or companies within the brigade?

Mr. Campney:

1. No.

2. Not applicable.

NATIONAL DEFENCE—CASUALTIES IN KOREA

Mr. Churchill:

What are the total Canadian casualties in Korea up to and including the 31st of January, 1953?

Mr. Campney: 1,335.

ELECTRONIC EQUIPMENT, R.C.A.F.—LETTER FROM CHIEF OF STAFF

Mr. Pearkes:

1. How many copies of the circular letter addressed to reserve, retired and former members of the Royal Canadian Air Force, over the signature of W. A. Curtis, air marshal, chief of the air staff, and dated Ottawa, August 1952, were issued?
2. Was this letter marked secret or confidential?
3. Did this letter, on page 2, contain a statement as to the total cost of electronic equipment purchased, including microwave ground circuits, and ultra-high frequency ground-to-air, and air-to-air circuits?
4. If so, what were the amounts quoted?

Mr. Campney:

1. Approximately 110,000.

2. No.

3 and 4. The relevant phrases appear to be: "Telecommunications is the new term for the old and honourable trade of signals and covers all electronics except those which are integral parts of armament systems". "The cost of all this equipment is in the order of $150,000,000 of which at least $125,000,000 is being spent right here in Canada—a tribute to our growing electronics industry."

[Mr. Campney.]

ARMY TRUCKS AND JEEPS

Mr. Fair:

1. Is it compulsory for army trucks and jeeps to carry licence plates?
2. If so, are such plates issued by the province in which the vehicles are located?
3. Are army vehicles subject to traffic regulations laid down by the province in which they operate?

Mr. Campney:

1. It is not compulsory to register army trucks and jeeps owned by the crown with the provincial authorities. However, it is considered desirable to register all military vehicles with the province in which they are located.

2. All licence plates are issued annually by the province in which the vehicle is permanently located, except in those provinces which issue permanent military markers.

3. No. However, service drivers are required by departmental regulation to comply with local laws and regulations respecting the conduct of vehicles.

GLOUCESTER COUNTY, N.B.—POST OFFICE REVENUES

Mr. Robichaud:

What were the revenues of the following post offices, in the county of Gloucester, New Brunswick, during each and every year beginning with the year 1945, up to and including the year 1952: (a) Bathurst; (b) East Bathurst; (c) West Bathurst; (d) South Bathurst; (e) Caraquet; (f) Lameque; (g) Shippigan; (h) Tracadie?

Mr. Langlois (Gaspe): This information may be obtained from the annual reports of the Postmaster General—Part II, alphabetical list of post offices in Canada and their revenues, tabled in the house.

PRINTING BUREAU—TELETYPE PERFORATORS

Mr. Knowles:

1. Has the government received any representations asking that experienced typographers who are capable of operating teletype perforators be given the opportunity to do such work at the government printing bureau?
2. If so, what are the terms of such representations?
3. What consideration has been given to any such representations?

Mr. Bradley:

1. A copy of resolution No. 5 adopted at the eighth conference of Ontario federation of printing trades union was very recently received.

2. That typographers be given the opportunity to operate teletype perforators installed in the public printing and stationery department.

3. The resolution will be given consideration.

CANADIAN FORCES, KOREA AND GERMANY—POSTAL RATES

Mr. Dinsdale:

1. Are reduced postal rates in effect on magazines and other reading matter directed to the troops serving in (a) Korea; (b) Germany?
2. Does this reduced postal rate apply to reading material originating outside Canada, e.g. *Life, Saturday Evening Post,* etc.?
3. If not, for what reason?

Mr. Langlois (Gaspe):

1. (a) Yes.

(b) Yes.

2. Yes, when mailed in Canada.

3. See answers to Nos. 1 and 2.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ELEVATOR COMPANIES—STORAGES AND OVERAGES

Mr. Argue:

1. What elevator companies showed (a) shortages; (b) overages, of grain, for the crop year ending July 31, 1952?
2. What was the shortage or overage for wheat, oats, barley, rye and flax, shown by each company?

ABBOTSFORD-COMOX AIRPORTS

Mr. Cruickshank:

1. What was the total cost of the Abbotsford airport, as of December 31, 1952?
2. How many hangars are available?
3. What accommodation is available for (a) officers; (b) other ranks?
4. How many of all ranks are now stationed at the airport?
5. Is the airport made use of? If not, for what reason?
6. How many (a) officers; (b) other ranks are now stationed at the Comox airport?
7. How many contracts were let for hangars or other buildings at the Comox airport?

ABBOTSFORD AIRPORT—PAINTING

Mr. Cruickshank:

1. What firms or individuals submitted tenders on 49-2-6-134, painting Abbotsford airport, and what was the amount of each tender?
2. How many buildings were to be painted?
3. Was it to be a spray and brush job? If so, how many coats?
4. Who was the inspector in charge, what salary does he receive?
5. Is he in constant attendance during the implementation of the contract? If not, for what reason?

RAILWAY SERVICE, GLOUCESTER COUNTY, N.B.

Mr. Robichaud:

1. Are any steps being taken by the authorities of the Canadian National Railways to cancel the only passenger-express daily train service between Bathurst and Tracadie, via Shippigan, in the county of Gloucester, New Brunswick?
2. If so, what are the plans of the post office department for the daily mail deliveries at Grande Anse, Caraquet, Shippigan, Inkerman and Tracadie in the said county?
3. Will provision be made by the authorities of the Canadian National Railways for the operation of a daily freight train from Bathurst to Tracadie, via Shippigan and return?
4. If not, what other system of freight delivery is being considered?
5. Have the authorities of the Canadian National Railways given any study or consideration to the advisability and/or feasibility of making deliveries of express and freight destined to the islands of Shippigan and Miscou, county of Gloucester, New Brunswick, by automobile trucks operating between Shippigan, Canadian National station and the above-mentioned islands?

BRONZE PROPELLERS

Mr. Bryce:

1. Were any bronze propellers purchased from Canadian Sumner Iron Works of Vancouver, in May or June, 1952?
2. If so, how many?
3. At what price each?
4. Were tenders invited for these?
5. If so, what tenders were received?

FAMILY ALLOWANCES—TELEGRAMS FROM PROVINCES

Mr. Johnston:

1. Were any telegrams received by the Prime Minister and/or other ministers of the government, during the month of January, 1953, from the provinces of Quebec, New Brunswick, Ontario and Saskatchewan, regarding an increase in family allowances?
2. If so, how many?

BURRARD DRY DOCK, NORTH VANCOUVER

Mr. Bryce:

1. How much money was paid to the Burrard Dry Dock, in North Vancouver, in the years 1951 and 1952?
2. Were tenders called for all work done?
3. If so, what firms tendered and at what price?

PUREBRED BULLS, QUEBEC

Mr. Gauthier (Portneuf):

1. What was the number of purebred bulls bought in the province of Quebec by the federal Department of Agriculture during the last ten years?
2. What was the number of bulls of each breed bought in the district of Quebec and the district of Montreal, respectively, during the last ten years?
3. What was the price paid for each bull?
4. What are the names of the sellers and what was the number of head sold by each of them during the last ten years?
5. What was the number of bulls loaned in each of the districts of Quebec and Montreal during the last ten years?

MOTIONS FOR PAPERS

TRANS MOUNTAIN OIL PIPE LINE CO.

Mr. Goode:

For a copy of all correspondence exchanged between the Department of Trade and Commerce and the Trans Mountain Oil Company, in connection with construction of an oil pipe line from British Columbia to the United States.

He said: May I ask that this notice of motion be dropped?

Mr. Speaker: Dropped.

AGREEMENT RESPECTING SALE OF GRAIN

Mr. Ross (Souris):

For a copy of any agreement since January 1, 1950, between the Canadian wheat board and the Winnipeg grain and produce clearing association, with respect to the sale of wheat or other grains.

Mr. McIlraith: Mr. Speaker, there is no agreement between the Canadian wheat board and the Winnipeg grain and produce clearing association. Therefore, there are no such documents to be produced. I might explain that the wheat board owns membership in the Winnipeg Grain and Produce Exchange Clearance Association Limited, and as with any other member of that association, the relationship of the association and the board is governed by the bylaws of the association. Since there is no agreement there is nothing to be tabled.

Mr. Speaker: Dropped.

ACCOUNTING METHODS

Mr. Macdonnell (Greenwood):

For a copy of all correspondence or recorded communications from the 1st day of April, 1951, to date between the Auditor General and (a) the Department of National Defence; (b) the Department of Finance, respecting methods of accounting.

NATIONAL DEFENCE, PRAIRIE COMMAND—SHORTAGES, ETC.

Mr. Diefenbaker:

For a copy of all reports made to the Department of National Defence regarding (a) shortages; (b) waste and extravagant spending, in connection with defence projects and supplies in the prairie command, since the first day of October, 1952, to date.

Mr. Claxton: I think that the hon. member for Lake Centre and the Solicitor General have had some conversation on this motion and have agreed that it should stand.

Mr. Diefenbaker: Yes, that is correct. I thought he was going to rise, and I was waiting for him.

Mr. Speaker: Motion stands.

[Mr. Gauthier (Portneuf).]

WILSON PRACTICE BOMB

Mr. Harkness:

For a copy of all correspondence, memoranda and other documents in connection with the 11½ lb. practice bomb (cartridge type), otherwise known as the Wilson practice bomb, used by the Royal Canadian Air Force, during the second world war.

Mr. Claxton: It has been pointed out to the hon. member for Calgary East that the file of correspondence includes the court record, and it is very voluminous indeed. On the understanding that this is made available to the hon. member and he will indicate what he wants we shall be glad to have the motion carried.

Mr. Speaker: Carried, subject to the statement of the Minister of National Defence.

OLD AGE PENSIONS ACT—RECOVERIES

Mr. Knowles:

For a copy of all communications of any kind, dated since January 1, 1951, between the Minister of National Health and Welfare of the federal government and the minister of health and public welfare of Manitoba, or between any officials writing on their behalf, in connection with the making of recoveries in respect of alleged overpayments made under the former old age pensions act, and also in connection with the effecting of recoveries from the estates of deceased pensioners formerly in receipt of pensions under the former old age pensions act.

Mr. Martin: I think this motion can be accepted, subject to the usual practice of obtaining the consent of the province, the other party concerned, before tabling the material asked.

Mr. Knowles: I do not think you will have any trouble getting it.

Mr. Speaker: Carried, subject to the statement of the Minister of National Health and Welfare.

NATIONAL DEFENCE

PRESS REPORTS OF ALLEGED LOOTING ON PARTRIDGE ISLAND

On the orders of the day:

Mr. D. A. Riley (Saint John-Albert): I should like to direct a question to the Minister of National Defence. Is the minister aware of a news story which appeared in the issue of the Saint John *Evening Times-Globe* for Saturday, February 7, 1953, dealing with alleged looting of army installations on Partridge island in Saint John harbour? If so, has any investigation been conducted, and with what result?

Hon. Brooke Claxton (Minister of National Defence): During the war a troop of third New Brunswick coast defence regiment

occupied Partridge island, manning two guns. Their operational role terminated May 31, 1945, and a detachment was left on the island until all equipment was removed.

The buildings not required by the army were removed or declared surplus to Crown Assets Disposal Corporation, who acknowledge our declaration of surplus for: eight buildings to the value of $3,390; plumbing, heating and electrical fixtures, $785.75; and 980 feet of six-inch sewer pipe at $2,450, for a total of $6,625.75.

This surplus declaration included 3,225 feet of underground electric power cable for which no value was shown. The records of the department show that there are still vested in the Department of National Defence a number of buildings which could not be removed or declared surplus, including searchlight emplacements, gun emplacements, a workshop and engine room, a radar building, a regimental aid post, an officers' quarters and mess and a power plant.

The general officer commanding eastern command has given us the information that all equipment and stores of any value to the army were removed by the army from these buildings. We have not been able to get any additional information owing to a breakdown in telephone communications between here and Fredericton, but as soon as I get a full report I shall be glad to give it to the house.

ALLEGED ROBBING OF WOUNDED KOREAN VETERANS AT SEATTLE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Associate Minister of National Defence. Has his attention been drawn to the fact that a number of wounded Korean veterans were mercilessly robbed of their belongings at a disembarkation point near Seattle last Thursday? If so, what is being done to have this matter investigated and a repetition prevented?

Hon. Brooke Claxton (Minister of National Defence): Perhaps I should answer the question, as the Solicitor General is not yet Associate Minister of National Defence.

Mr. Diefenbaker: Oh, I beg your pardon.

Mr. Claxton: Our attention has been drawn to this matter, and a thorough investigation is being made into it. The hon. member and the house will appreciate that since this occurred in the United States our inquiry must be made to the United States service authorities, and any representations would be made to them.

Mr. Diefenbaker: Is there a foundation for the news report?

Mr. Claxton: I have not heard yet.

SUPPLY

IRRIGATION—SOUTH SASKATCHEWAN RIVER DAM

The house resumed, from Wednesday, February 4, consideration of the motion of Mr. Fournier (Hull) that the house go into committee of supply, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Wright.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I had not intended to address the house on the South Saskatchewan river project at this time. I had thought that in all probability it would be discussed on my estimates, or at a time when the government was making some report with regard to the commission's report. However, an amendment has been moved to the motion to go into supply, and also an amendment to the amendment.

Some remarks have been made in discussing those amendments which make it necessary for me to make some comment. I would in the first place call the attention of hon. members to the fact that the amendment reads as follows:

I therefore move, seconded by the Leader of the Opposition (Mr. Drew)—

And this was the amendment of the hon. member for Lake Centre (Mr. Diefenbaker):

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"this house regrets that in the estimates presented to this house no provision has been made for immediately proceeding with the construction of the South Saskatchewan river dam."

Well, there is a provision in the estimates for an expenditure similar to that of last year. There has been no decision reached as to whether the expenditure will be made. But the statement contained in the amendment is not a statement of fact; and therefore if members have no other reasons for voting against it, they certainly would vote against it on the ground that it is not a correct statement of fact.

In addition to that, an amendment to the amendment was moved in these words:

That the amendment be amended by adding at the end thereof the following words:

"as recommended by the federal government's P.F.R.A. engineers."

Well, the federal government's P.F.R.A. engineers have made no recommendation in connection with this matter whatsoever. It is not their mission. It is not their duty to make recommendations. They are asked for

reports on possible projects across western Canada, and any recommendations that are made are made here, by the minister, and not by P.F.R.A. engineers. So again I suggest that the amendment to the amendment is not based upon the facts as they exist, and therefore there could be no good reason for anyone voting either for the amendment or the amendment to the amendment. They are both statements of situations which do not exist.

But in view of the fact that amendments have been moved and that there have been discussions, and in view of the fact that for a long time the views of everyone who has been associated with public affairs in the province of Saskatchewan in particular, and in the western provinces in general, have been pretty well established, perhaps I should make a few comments.

There is no necessity for me, on this occasion, to attempt to indicate to the house what my own views on this question are. I am on record in every session of the Saskatchewan legislature from 1916 until I came to this House of Commons in 1936; and that being the case, there would be no way of my avoiding that record which is known both to the newspapers of western Canada and to individuals concerned about the voting in western Canada. Anyone can look up the sessional papers and find out what position was taken over the years in relation to this particular question. All I am going to say at the moment is that on no occasion, at any time, either while an election was on or while an election was not on, have I stated that the South Saskatchewan river dam was going to be built.

I have on many occasions indicated that investigation is being made into the possibility of building it. I have on certain occasions indicated that, so far as I myself am concerned, I have been convinced that a dam can be built. But at no time has it been stated that the government has entered into any such arrangement or has undertaken to enter into any such arrangement. I intend to give the reasons as to why that is the case, as I go along.

I think in the first place I should perhaps give a very short review of what the history of the question has been. A short review would take me back a long time; but it does not require more than one sentence with regard to each matter in order to remind the house of what is involved historically in the discussion of this question.

Many years ago—as a matter of fact very shortly after confederation—a very definite stand was taken with regard to land and resources in western Canada. The government of Sir John A. Macdonald took the position that we should follow the practice of the United States and make the land available to the railway companies in order to induce the construction of national railway lines across the Dominion of Canada. He followed that policy during all the time he was in office, and made available something in the neighbourhood of 38 million acres, a very great part of which was taken from what is now the province of Saskatchewan—what was then the Northwest Territories—in order to encourage the building of national railways.

During that period of time the Liberal party took the position that this should not be done, that this was a national undertaking and that provision for that kind of thing should be made out of the treasury of Canada. When the Liberal party came into office in 1896 they changed the policy and determined upon a policy of making cash grants instead of land grants.

And so by 1904, as a result of that policy, they established the building of another line of railway from one end of Canada to the other, and in order to secure the building of that line they put up cash grants.

These are the two facts, away back at the beginning of the history, of this development which I think we have to keep in mind at this time. Then, in 1905, one year after the arrangement was made for the construction of this great national railway on the basis of cash grants, the government of the day set up two new provinces, the provinces of Saskatchewan and Alberta. At that time they determined that while they were not going to make any more land grants to railways, and were not involving themselves in anything of that kind, that they were going to utilize the land of the western prairies, administered from Ottawa, for the purpose of encouraging settlement in the Dominion of Canada—the natural argument being that, the railways once having been constructed, and the great undertakings resulting having been developed from one end of Canada to the other, the lands should be retained rather than administered by the provinces. It was maintained at Ottawa that national problems could best be assisted if settlement were based on lands administered from Ottawa.

Well, settlement was carried out based on the previous areas and experiences from the beginning until 1908. It came about in 1908 that the area known as the Palliser triangle which had not been settled prior to that time—homesteading was not allowed in that

area, grants were not made to the railways in that area; settlement was discouraged, except for purposes of ranching, and grants of land were leased for ranching purposes over that area. In 1908 they decided to throw open these lands for settlement, not only settlement on the basis of homesteading, but the government of the day decided to sell 160-acre pre-emptions to any person who was homesteading in order to give him twice as much land as he would have under the policy which had been followed up to then.

I recite the details of these policies in order to show that up to that time there had been a very definite difference of opinion as between the two groups on different sides of this house. The Conservative party of that time had taken the position that making grants of land to the railroads was the proper thing to do, but when the new provinces were set up they took the position that the land should not be reserved to be administered from Ottawa, but should be administered by the provinces themselves. There was such wide division of policy on the part of the parties which resulted in the Conservative party in Saskatchewan changing its name to "provincial righters". As provincial righters they maintained that the lands and resources should be returned to the provinces and administered by the provinces.

As I said a moment ago, I have been associated with politics in the province of Saskatchewan ever since it was set up. During the early history of the province I took the position, along with other Liberals, that the proper thing to do was to have lands and resources administered by the provincial government, and more particularly prior to the period when it was decided to open up the Palliser triangle.

In 1912, just after a change of government, additions were made to three provinces in Canada, the province of Manitoba, the province of Ontario and the province of Quebec. That suggestion had been made prior to the change in government by the Laurier government of the day, but it was brought into being by the government of Sir Robert Borden. When it was brought into being it was provided that the resources of these areas would be turned over to the provinces.

They did not follow the practice which the government had followed previously of retaining the resources to be administered from Ottawa, but turned them over to those three provinces. From there on all the parties in western Canada took the position that, since the policy had been changed at Ottawa, the government should follow the same policy in connection with resources and lands of the prairie provinces.

Discussions with regard to this went on for some time and it was during the period from 1916 down to the time when I left Regina that I am on record fully with regard to my own position in connection with the whole matter. But in 1929, the then prime minister of Canada, the late Mr. King, made representations to the governments of the three prairie provinces to the effect that they had decided that the natural resources should be returned to the provinces.

I was then the premier of the province of Saskatchewan and I was a supporter of the Liberal party, both provincially and federally. When that offer was made to the government of the province of Saskatchewan I came to Ottawa, along with other members of the Saskatchewan government, and interviewed the government of the Dominion of Canada. They made certain proposals to us under which we were asked to take the control of the natural resources. We refused and we gave our reasons for refusing. We said that during the period when the lands and resources had been administered from Ottawa some 38 million acres of land had been alienated; that large areas of forests had been alienated; that large areas of mining property had been transferred to activities elsewhere and that in asking the provinces to administer the remnant we were being asked to maintain an organization in order to conserve forests which had been alienated and to take care of land which had been settled and much which in all probability would not be settled because it was the least acceptable. We contended that a great deal of expense would be involved.

So we said that the federal government should not only turn over the resources, they should turn over with them certain funds. The reaction of Mr. King to that suggestion was to appoint a royal commission. That royal commission was headed by the Hon. Alphonse Turgeon, then chief justice of the province of Saskatchewan. An election was held a few months later and Mr. King's government was defeated.

Mr. Bennett came into office and decided to continue the commission, but he continued it with a little different personnel. He removed Mr. Justice Turgeon and put in his place another judge, Mr. Justice Bigelow, who functioned on the commission. That commission sat for about four years and a half. By the time it reported we were back in office.

I should have said that while we did not take the natural resources in 1929, the new government in the province of Saskatchewan was offered them on the same terms as we and they accepted the offer in 1930 and 1931. It was in discussing the question of acceptance that we indicated great opposition to the taking over of the resources by the government of the day on that basis. As I said, the commissions were appointed.

That report was not made until we had come back into office. The report provided that, in so far as Alberta was concerned, certain suggestions were accepted by Alberta. In so far as Manitoba was concerned, certain suggestions were made which were accepted. In so far as Saskatchewan was concerned, it was recommended that we take $5 million as payment. Mr. Justice Bigelow, who had been appointed by Mr. Bennett, said that the amount should be approximately $35 million, but the other commissioners agreed on $5 million.

The government of the day refused to accept the $5 million. I may say in passing that that amount was not accepted until 1948. I shall give some reasons as I go along why it might have been accepted then. We had spent a great deal of money in the rehabilitation of the western parts of Canada between 1935 and 1948.

That is the history of what happened down to 1935 excepting that we had one of the worst depressions in Saskatchewan and western Canada from 1931 down to 1939 that had ever been experienced. I think everyone in western Canada, no matter to what party he belonged, and everyone who was associated with government in Canada became convinced by what had happened that there was something wrong with the methods under which that particular section of Canada known as the Palliser triangle had been settled.

I remember coming down to Ottawa after the change of government and suggesting to the prime minister of the day, the late Right Hon. R. B. Bennett, that the commitments which had been undertaken by the previous government should be met by Ottawa. During the discussions I was asked for an opinion as to whether I thought people would be able to live in that section of the country. Mr. Bennett naturally referred to the position he had taken in 1908 when he said that these lands should remain as lands occupied by ranchers who were producing cattle, that they should not be broken up.

But after we had discussed the matter for two days and called in representatives of the two largest banks, the Bank of Montreal and the Royal Bank, one because they were the bankers of Canada and the other because they were the bankers of Saskatchewan, it was determined that the federal government ought to pay the bill and they did pay it. Then it was determined that in all probability nothing better could be done than to go along and see that these areas were rehabilitated, and therefore that matter might be discussed. That was 1934. But out of that discussion I think the whole Dominion of Canada came to the conclusion —certainly all members of the house of that day did so because they so determined when we were discussing the matter—that that area had not been settled in the manner in which it should have been settled, and that some of the responsibility for the position in which we found ourselves was a national or federal responsibility and therefore something ought to be done to rehabilitate the area.

When the Conservatives were in office in 1935 they brought in a bill. It was a short bill. It provided for the setting up of a committee. That committee had on it representatives of all the landholding organizations in western Canada and even organizations that had lent money on land—banking organizations, commercial companies, the Hudson's Bay Company, the railways that owned lands, and so on. The bill also provided for the naming to the committee of representatives of the municipal organizations. The hon. member for Souris (Mr. Ross) was one of the men who were made members of the committee at the time. It was also suggested that representatives of the three provinces be included on the committee. This board was set up under the act of 1935.

I have a copy of the act here. It is not necessary to read it because I think most members recall it and understand it; but if one reads the act one will find that the boards was entrusted with the task of saying what they thought ought to be done. The government of the day provided three-quarters of a million dollars for the first year and $1 million for each of the next four years following in order to carry on rehabilitation work on the western prairies. During the period when we were battling in the election campaign of 1935 we took certain attitudes with regard to this intention. Those of us who represented the attitude of the provincial government of Saskatchewan of that day took the position that that amount of money was not sufficient to provide for the necessary rehabilitation of western Canada and that five years was too short a period

over which to make the expenditure. We so claimed throughout the whole period of the election campaign.

We were somewhat critical of the fact that the bill only covered five years and only provided a small amount of money, approximately $5 million, which was about the same as the commission had recommended. We said that we were not satisfied. When we made that statement our attention was immediately called to the fact that a greater amount had been paid by way of relief on the western prairies during the three or four preceding years than had ever been paid before. The moneys had been paid under the administration of the Anderson government of the day and with the assistance of the Conservative government at Ottawa. It was said to us. What is going to happen to that relief if a Liberal government comes into office? We said that so far as we were concerned when we came to Ottawa we would advocate even greater relief than was being provided by the government of the day.

To make a long story short, we came to Ottawa and as a result of the campaign that had been put on I was invited to Ottawa as minister of agriculture and told that my chief duty would be the administration of the P.F.R.A. as a part of the agricultural policy and that from time to time I would be expected to recommend to the government of Canada policies under which we could proceed in that direction. That was not the simplest thing to do in those days. You know, there is no use of my saying it was a Conservative point of view because I think the Conservatives would be equally justified, and possibly more justified, in saying that the Liberals agreed. In those days most people, when they took a look at an investment that was going to be made either by an individual or by a government, agreed with the suggestion that when money was to be expended on any particular project it should be done on the basis of whether it was going to be economically sound in the sense that it would pay interest upon the money which was invested.

I must say that when I came to Ottawa most people held that point of view. All I am going to say today is that when I came before the house and asked to have the sum of money taken out of the bill it took me about a year and a half to get the consent of the house to do that, and when they did so they did not take out the limitation on time. In 1937 they said: You still have three years to go and at the end of that three years we will have another look at it. At the end of the three years they took out the limitation on time. All I wish to say about it at this moment is that at that particular time it was somewhat difficult to get governments to acknowledge two things which are pretty generally acknowledged today.

One of the undertakings given previously was to the effect that anyone who collected taxes ought to be spending the money, and it was felt that that was a greater safeguard than anything else in connection with the keeping down of taxes and the keeping down of costs. But there is no one in this house that I know of at the present time who contends that is the policy which should be followed. It certainly is not the policy which is being followed, and the opposite policy has been followed for some considerable time. Therefore I think I am justified in saying today that in so far as the parliament of Canada is concerned, and so far as those sitting on both sides of the house are concerned, there has been fairly general recognition of the fact that large sums of money should be spent for national purposes in different parts of Canada.

There is one other project to which I want to refer at the moment because this discussion concerns not only those in the west but everybody in Canada. One of the chief interests that members from the maritime provinces had when I came to this house was in having the dikes reconditioned in the provinces of Nova Scotia and New Brunswick. These dikes were built in the days when the country was occupied either by the French or by the British many years ago. The cost of construction was not charged against the lands at the time they were constructed. Most of the construction was carried out with moneys supplied by France or moneys supplied by Great Britain under differing circumstances, and the dikes were there.

But when the dikes started to disappear some hundred years or more later we were proceeding according to the policy that I spoke of a few moments ago. The provinces, because of the set-up of our constitution at the time of confederation, were made responsible for all such expenditures as those having to do with dikes. All I am going to say about it is that in 1935 we started in to establish a policy under which assistance would be given by Ottawa for the construction of dikes in the maritime provinces, and it was thirteen years before we were able to get an item into the estimates to provide for that kind of expenditure in those provinces. I am not being critical now of some other political party when I say that. We were in power during all that time. As

Minister of Agriculture I brought recommendations forward from year to year. I discussed the matter fully. I went down and looked at the projects. I came back and told all that I knew about them. I think I even had the support of my friend, the hon. member for Cumberland (Mr. Black), who supported the project on every occasion when it was being discussed. So far as I know, all other private members of the house from that area were in favour of it. So that finally, after some ten or twelve years of continuous talk with regard to their necessity, ignoring the fact that the building of these dikes would not result in anybody getting enough money to pay for them, the federal government are paying for the dikes. They are being built at the cost of the treasury of this country. In so far as anything being paid by the provinces or by the farmers who live behind the dikes is concerned it is only the activities going on behind the dikes that are being paid for by those people.

Construction of dikes in the maritime provinces was only brought into being because of the experience that we had with P.F.R.A. in western Canada. We were the people who came forward every year and said: This is what we are doing out west. We have already established the fact that some of these larger national projects have to be financed through Ottawa and assisted through Ottawa. Having done that, we would like to do the same thing in connection with the dikes and projects in the maritime provinces.

All I would like to say to members who come from the maritime provinces, with regard to this matter, is that if they do not agree with me regarding what has happened in the maritimes they should, if they have not already done so, go down to Amherst. They should drive east, I think it is—although I am not just too sure in which direction I am driving when I go along the coast line—and they will find that there is a very large diking project that has been undertaken by the government of Canada. Those who live there have carried on the activities behind the ditches and the dikes that have been provided. In order to get some idea of what good has been done, all I want to say is that one should look at the half which has been dealt with and then look at the half which has not yet been dealt with. The two lie side by side. On one side the lands are rehabilitated and in condition where farmers can use them for the production of hay. Right alongside are lands that are still flooded with salt water and will be of no use to anyone until they are diked. I would suggest that if members cannot go out and take a look at Saskatchewan and Alberta they should take a look at that project. I wish to say to them that it is exactly the same kind of thing which is being done in connection with rehabilitation in the west; and the government of Canada has been making payments in relation thereto.

I am quite aware of the fact that you can turn up *Hansard* of 1937 and find that almost everything I am saying now was said then. But as a result of representations made about 1937, and upon the basis of statements then made to the house and decisions made by the government of that day—and carried out—the policy of federal support has resulted. One of the policies followed was that of giving relief to people. It cost us $186 million in relief to people who had been settled on those lands but could not make a living in the thirties. One hundred and eighty-six million was paid out of the treasury of Canada during the first three or four years of the existence of this government in the late thirties. That money was spent in order to make it possible for people to live there until such time as more rehabilitation projects could be carried out. As I stated a moment ago instead of holding rehabilitation to four years or five years there was no limit put on the time and we have been spending on an average between $2 and $3 million a year ever since. We have now spent something over $39 million not on relief but on P.F.R.A.

Now I wish to say a word about what P.F.R.A. is. P.F.R.A. is not associated with the building of a dam on the South Saskatchewan river, nor is it associated with the building of the St. Mary dam. It is not associated with the Bow river project and it is not associated with the Red Deer project. Those are projects that have been associated with what we call the larger storage and irrigation projects in the western part of Canada. We have spent on P.F.R.A. as such about $34 million, as against $4¾ million that had been authorized by the initial act prior to the election of 1935 and determined upon as to the extent to which the policy should go.

Well, on these larger projects we have now spent some $22 million, making a total of over $60 million which has been spent for rehabilitation purposes. The last $24 million of that has not been spent as prairie farm rehabilitation expenditure but on what we call the larger projects.

I am sure that you would want me to give some explanation of what I mean by that. We set up the P.F.R.A. scheme and without

going into details in connection with the report, I wish to say every single thing referred to in the report as something that ought to be done in western Canada has already been explored—100 per cent—and in most cases the suggestions are being carried out. One of the very definite proposals made, that of pumping water out of the South Saskatchewan river and up onto the land, has been turned down by every authority who has looked at it. The reason is that the waters of the South Saskatchewan river are full of silt and there is no way of pumping that water up on top unless you build a dam, allow the silt to settle to the bottom, and pump the waters off afterwards. You would have to build a dam at every point where you wanted any great pumping scheme carried out, and such a project is not practical. Everyone who has had a look at it has said that it is not a practical thing to do.

I looked at schemes in western Canada during the early days and I was carried away for the time being as a result of watching the pumping of water out of the South Saskatchewan river, pumping it up a couple of hundred feet and pouring it on the land. I had never seen any such production from lands in western Canada until then. However, I go back today and look at those same projects and find that the individuals who put pumps in then are not pumping water any more. The reason is that they have found out exactly what our engineers have found out—that it is not a practical thing to do.

So, I say to you again, everything which it is suggested in this report should be done by the P.F.R.A. or by the government of Canada has already been undertaken, completed or fully investigated and action taken accordingly, and I am going to leave my comment on the recommendations of the report at that point.

There is something to be said about these large projects. In the first instance we were determined not to follow the ideas which were followed in the United States until we had carried on the greater part of our planning for P.F.R.A. work, and then, when we had done that, we had determined that we should provide for a number of large storage projects that could be utilized by the provinces after we had ceased to be interested in prairie farm rehabilitation. They could be utilized by the provinces in order to continue to make it possible for people to live to advantage in that particular section of the country. In other words, the work of moving people off submarginal lands, the establishment of community pastures, the putting in of small irrigation projects, all of that work goes on under P.F.R.A. and it is going on. Every single part of what is known as the Palliser triangle, including the hard core of necessary relief, has been dealt with under P.F.R.A. and is being dealt with under P.F.R.A. Everyone who has been associated with this agrees that the most helpful plans that have been carried out are those connected with the projects set up under P.F.R.A.

Coming to the larger projects, we were told, and it has proven to be correct, that if we did not start to utilize the waters out of the St. Mary river, the Waterton river and others that come into this country from the United States, those waters would be utilized on the other side of the line and we would be without them.

The government of the province of Alberta of that day took the position that they could not afford to deal with that situation themselves. I do not know whether or not they would take that position today, with their oil supplies, but I am rather inclined to think that they would; because I do not know that that circumstance has made a great deal of difference. By far the greater part of the wealth they obtain, they get from the soil just as does any other western province. But nevertheless at that time they took the position that they could not go ahead.

They had an experience—and the hon. member for Peace River (Mr. Low) knows it better than anyone else because I think he was the minister handling the funds at the time—of having to pay off guaranteed amounts put up in connection with irrigation in the province of Alberta. They therefore came to us and suggested that we ought to do something about it. We were not in a position to deal with the matter then any more than we are at this moment in a position to deal with the South Saskatchewan river dam. Having no set-up here which made it possible for me to go to Alberta and make a deal with the Alberta government based upon policy here, we sent letters to the Alberta government and received letters back from them, under which they agreed that whatever the policy was that was decided on at a later date in connection with those projects—and we always said there would not be more than four of them—they would go ahead and spend money on the part of the project which we had been discussing, on the understanding that whatever the decision was it would be finally applied to any of the undertakings. So we went ahead with the St. Mary river dam. But in so far as the other three pro-

jects were concerned—the Bow river, the Red Deer and the South Saskatchewan—there was no definite decision. It is in the order in council. I am not going to read it this afternoon because it would take considerable time to do it; the information can be obtained from the order in council. That order in council—I think it is P.C. 2298, passed in 1947—provides that we must have an agreement with the province in connection with these larger projects, and that under that agreement we are presumed to be following the same policy as is laid down by the Meek commission which reported in 1942 in relation to the St. Mary dam. So when we came to deal with the Bow river project we dealt with it on that basis, although we did some things there that we are not doing in others. We bought the land, for example. But as regards the water supply being provided to the province and to others, the arrangements are similar to those made elsewhere in accordance with the terms of the Meek report.

Then we went up to Edmonton to deal with the Red Deer project. What I want to tell the members from the province of Alberta—and they can get the details from their own government if they desire to do so—is that I went to Alberta and I sat down with the whole government of Alberta and discussed these projects. At the time we discussed them and it was agreed that the first project we would attempt to go ahead with and finish was the St. Mary river dam. Then it was agreed that the second one we would proceed with and complete, if we could persuade the government to undertake it, was the Bow river project; and both of these we are proceeding with. Then it was agreed too that until we have been able to make a more complete examination of the possibilities on the South Saskatchewan river, we would not be proceeding with the Red Deer project. I must admit—and I think the members of the Alberta government would also admit it—that I did not anticipate that we would be quite as long as we are in making the decision. They did not anticipate that we would. I think I can make an appeal to my friend the hon. member for Acadia (Mr. Quelch) based upon something which I have heard him say in this house previously, namely, that at no time when these discussions were on did we use them in a political sense. He recalled in this house that I was at the convention in Hanna and I may say that I am asked to go back to it this year and I may be there again.

An hon. Member: You know what happened.

Mr. Gardiner: In any event, I was at the convention in Hanna. In answer to a question, I stated that the question as to whether we were prepared to proceed with the Red Deer project was not an issue in connection with the election, that whether they elected one member or another was not a matter which could decide that question, and that it would not be considered from that point of view. My hon. friend nods his head and will agree that is correct.

That is the position which I took from time to time right across western Canada, namely, that these are projects that have to be built for the purpose of rehabilitating that area and putting it back into a position where the people can live there; that I anticipated that no matter what government is in power in Canada from now on, any government that is established in Ottawa would undertake to carry on projects of that kind down to the time when we had performed our duty as a federal government to take care of the responsibilities we had assumed, through the activities of previous governments in not having those areas settled in the manner in which, they now agree, as does everybody, they should have been settled.

May I recall to your minds again that we have spent approximately $40 million on P.F.R.A. We have spent—the greater part of it coming out of the treasury of Canada but some of it from the farmers in western Canada—$141 million on prairie farm assistance. We have spent the amount, which I referred to a few moments ago, of $22 million on those larger projects. We are committed to complete the St. Mary dam; we are committed to complete the Bow river project. We are under obligation to discuss with the government of Alberta as to whether we are prepared to go ahead with the Red Deer project, and we are under obligation to discuss with the government of Saskatchewan whether we are prepared to go ahead with the Saskatchewan river project. But neither one of those governments has any undertaking, either from myself or from the government of Canada, that we are going to go ahead with those projects. We have been discussing the matter from the same point of view as we have always discussed it in connection with the other two projects that are now under way.

What I want to say with regard to the matter is that I greatly regret that the minister of agriculture of Alberta made the statement which he is reported to have made. I have some doubts as to whether he meant what the newspaper says he said. I hope he does not. After all, the question whether you are going to build a dam on the South Saskatchewan river is not a question which

concerns the province of Alberta beyond the fact as to whether there is sufficient water that ought to be allowed to cross the boundary line into Saskatchewan, into the South Saskatchewan river, for that purpose. Even then, it is not their task to decide whether or not there is enough water. It is their task to admit or to determine otherwise, through the water board, as to whether a certain amount of water is going to pass into Saskatchewan; but when one does determine that that amount of water ought to be allowed to pass into Saskatchewan, to my mind it is then a question which ought to be determined and be decided upon by the Saskatchewan government as to what use is going to be made of it; that is, in so far as Alberta is concerned. The province of Manitoba still has a right to come in and to say: You are using too much of the water for some particular purpose before you allow some of it to come on to us. But I do not think that Alberta, once having agreed that this amount of water does go into Saskatchewan, should take an interest in whether Saskatchewan uses it in the dam or whether they use it in some other way. Therefore, I repeat, I would hope that the statement which is attributed to the minister of agriculture of Alberta is not just exactly what the press says it is.

Then I want to say another word with regard to the commission itself. You asked me whether the P.F.R.A. engineers did not make recommendations. You asked me: What recommendations did you make? If you read the order in council of 1947 you will find that there is only one recommendation I could make, and that recommendation was that in my opinion we might declare that the South Saskatchewan river project is one which might be determined as feasible under the order in council of 1947, and therefore I might be asked to discuss it with the provincial government of Saskatchewan, with a definite understanding that I could give no undertaking to complete it until I had reported back to council in Ottawa. That is the basis on which they have all been done.

Some hon. members seem to have doubts as to who is supporting this project and who is opposing it. Well, I am going to tell you this: I do not know any more about who is supporting and who is opposing the project in the government of Canada than you do, and I am going to tell you why. It has never yet been discussed before the government of Canada, and I have good reasons for keeping it in the position where it has not yet been discussed. And the good reasons are similar to those that held up the dikes proposition for thirteen years before it was finally agreed to, but I would hope that this one is not going to be thirteen years. Nevertheless, I want to know that I am right, and I want them to know that I am right before I definitely go to them and insist upon this thing being done. Therefore I come back to the point that the building of the dam never was discussed in council before the 30th day of May or since.

On the 30th day of May I brought in a recommendation to the council to the effect that this matter might be submitted to the Saskatchewan government, and I was asked the question as to whether I had any objections to a commission being appointed, and I said no. So they said: "All right, then we will discuss it after the commission has been appointed and reports", and I said: "All right".

Now, on the question as to the kind of commission that we had, I must say again that I personally recommended every one that is on the commission, including the secretary. The personnel is not the group that I recommended first. Nobody else asked me to recommend any of them. The first three that I recommended consisted of two Americans and one Canadian. The one Canadian was Dr. Hogg. One of the Americans accepted; the other one did not find it possible to accept, for which I am very sorry. Since he could not accept we offered it to three other Americans, one after another, and that accounts entirely for the delay in getting the commission set up. One after another gave consideration to it for two or three weeks, or a month, and then they decided, no, they could not give the time to it. They all wanted to do the job; they would all have liked to do the job; but they finally had to say that their activities down in the United States made it impossible for them to come up here and spend the length of time necessary. When we got to that point I recommended Mr. Gaherty to the government and he was added to the other two, and Dr. Hogg was made chairman.

There has been some criticism of the personnel. I want to suggest this to you. Only one thing was being considered by the government. We had considered all the other things that this commission talks about, and we passed in favour of most of them and we are doing most of them. There was only one thing that we were really concerned about when we submitted this matter to the commission, namely, the Saskatchewan river dam and the reservoir that was going to be behind it. I recall to the minds of hon. members, who have been a little critical, my own statement in connection with the matter, and remind them of the fact that it is not so very

long ago that they were twitting me with having said that if the dam went out it would take the city of Saskatoon along with it. They said I was trying to scare people. I was not trying to scare people. We had the experience last summer of a dam almost going out above Swift Current, and I had delegations down here wanting the government to pay for the houses that had been flooded, to pay for everything that happened in connection with it. Fortunately we were able to keep the dam in, but it could have gone out, and if it had gone out a very considerable part of Swift Current would have gone along with it. Therefore, I repeat, we are concerned about whether or not we can keep the dam there.

Having said that, I think you realize that I would have certainly been open to a great deal of criticism if I had appointed George Spence as chairman of this commission last year. I knew what George Spence would want to say without putting him on a commission. I know that he is the best P.F.R.A. official that we have had in western Canada. I know that he is a member of the international joint commission. I know what his views are on the question. I do not need to ask it. As a matter of fact, he was the chairman of the board at the time that I was convinced you could build a dam on the South Saskatchewan river and therefore I have no reason to ask him. I knew too that he would make one of the best representations to the commission when it sat that would be made by anyone. I know George Spence well enough to know that he would do that, and he did it without being asked by me. Then I knew that if it was not satisfactory to him at the end he would make the best criticism of it that anyone has made, and he has done that and it is published in the press. If anyone wants to get the views of George Spence they can get them very easily by reading them. I know what his views are. But if I had appointed or recommended to the government that they appoint one or two men like George Spence on the commission, the commission would not have served the purpose which I had in my mind, nor would it have served the purpose that the government had in their minds. I was satisfied myself that a dam could be built there, but I have gone down underground since that time. I have walked through the tunnels that have been there. I have done that along with engineers and I have been told that the dam can be made to stay there. I have been told by three of the best consultants on the North American continent that the dam can be made to stay there, and after reading this report I am quite convinced that if at least two of the members of the commission had reported as they would like to have reported, they would have said that you could not build a dam there at all.

Mr. Diefenbaker: Who were the three?

Mr. Gardiner: Mr. Casagrande of Harvard, Mr. Harza, I think his name is, of Chicago, and General Ferguson, who has been a consultant in connection with it right along.

Mr. Drew: May I ask the minister what he means by "if they had been free to report as they would have wished to"?

Mr. Gardiner: No, I did not say "if they had been free to report as they wished to", but if they had reported as they probably thought when they were put on the commission they would have probably said no, it is pretty difficult to put it there. I am saying that because when they were appointed, as I said a moment ago, I was very careful in recommending it to the government not to recommend somebody who had preconceived ideas. As a matter of fact, when we were discussing the last man who went on the commission I made an inquiry of the government myself as to whether they were satisfied that the man did not have preconceived ideas with regard to it.

The reason I am pleased with the report of the commission is this: that feeling that having selected people who would have some reasons at least, or some inclination, to find in the opposite direction, they were unable to say after they investigated the whole project that it cannot be built there.

Now, I was reading from a good editorial —I almost feel like reading it to the house— in the *Albertan*, which was quite critical of this whole project prior to the time the commission was set up, and which has now written an editorial which I think is quite characteristic of the editorials that have been written in western Canada. I think I ought to read part, if not all, of it. They say this:

> Right after the war the federal government started talking about a large irrigation project on the South Saskatchewan river somewhere in Saskatchewan. The government's efficient prairie farm rehabilitation administration staff went to work on the idea, found a suitable site, drew plans and pursued all the other preliminary tasks. The provincial government agreed to assume a good deal of the cost. As this had long been a favourite policy of Mr. Gardiner, what was there to stand in the way?

Then they go on to say this:

> Then something over a year ago Ottawa decided to have a royal commission look into the advisability of the project. This seemed to many people to be just a stall, but, as the *Albertan* said then, if there is any doubt about the economic feasibility of the project, it's better to find out now than after the thing is built.

The commission, consisting of three competent engineers, made an exhaustive survey and about three months ago completed its report. But well before it was written, one commission member—

I do not know which one this was, but it gives me reason for what I said a moment ago.

—dropped the hint that the report would advise against the project. Shortly after the report was signed, the word leaked out that that was so. Thus, before the official disclosure of the contents, there has been a general controversy on the findings of the commission. Mr. Gardiner, the P.F.R.A. and many other people have been quite critical. Saskatchewan is quite disillusioned. And now, in the midst of this debate, the report is released. For the first time the public knows exactly what is in it.

As for us, we find it a mixture of good and bad. Among the points that needed saying by someone with the authority of this commission, and which cannot be disputed or minimized, are these:

I am not going to read them all. Perhaps I should read the first one, just to indicate what it is about:

1. Markets are a first consideration. Irrigation means very specialized farming, and that means new crops and new crops mean new markets.

All I will say about that is that it will be ten years before the dam is completed, and it will be at least five years after that before enough land is irrigated to make much difference. Fifteen years is a long time to be preparing markets. No one can say at this time what the market will be. But I would not put as much emphasis upon markets as they are putting upon them at the moment. Nevertheless the report did put some emphasis upon the matter, and they make reference to it.

Then the editorial goes on:

2. There ought to be an over-all approach to the question of river development in the three prairie provinces. This is not something for haphazard growth. The various legal and engineering problems ought to be worked out now, with Ottawa taking the lead although the provinces are in actual control of the rivers. Diversion of the North Saskatchewan to the South Saskatchewan, and the Athabasca and Churchill to the North Saskatchewan, are matters which, if investigated now, might put a different light on the whole matter.

All I wish to say is that P.F.R.A., or myself, through Justice, have entered into all the questions which are referred to here; and we are quite satisfied in view of the fact that these are matters which are the responsibility of the provinces, and not the responsibility of the federal government—ever since the natural resources were returned to the provinces, and since we are simply engaged in the task of handing the provinces something which we think they are entitled to, because we did not make as good a job of settling the lands as we should have made while they were under our administration.

We say that we are prepared to give them something. One of the things we have already given Alberta is the St. Mary dam. One we are in process of giving them is the Bow river project. One we are considering whether or not we will give them is the Red Deer project. One we are considering in Saskatchewan, as to whether or not we will pay for it, is the South Saskatchewan river project.

Now, all you need to do is to take the correspondence at the tail end of the report and read it. If you do you will find that this question has been under discussion ever since these larger projects were first considered. The provinces themselves, under Mr. Bracken's leadership, set up a water board. That water board was going to determine what was going to happen in the different provinces, irrespective of what the federal government did. Two years later it was converted into a board on which the federal government had representation, the chief reason being that the federal government indicated that we were not going to get into any controversy with the provinces of western Canada as to what should be done with water in Alberta in order to transfer it into Saskatchewan. We were not going to get into any difficulty, so we joined in setting up the board, and that board is there. They have the power, the authority and the information upon which to base decision on all these questions raised here.

Then the editorial continues:

3. Irrigation ought to go ahead, in different ways if not in this way.

That is their opinion, I know, but I think everyone here agrees with them.

Of great interest to Alberta is the apparent approval given to the Red Deer diversion scheme which would irrigate half a million acres in east-central Alberta and which, the commission suggests, might be taken well into Saskatchewan.

We have never raised any objection to taking water into Saskatchewan out of Alberta. We have never suggested whether it should be or should not be done because, after all, it is a matter to be determined between the provinces. We have said that if Alberta wants to provide water in the Sullivan dam, or somewhere else, that can be utilized across the line in Saskatchewan, that province should make an agreement with the Alberta government—and it should be done without controversy at all. We are not going to step into the picture at all and tell either of them that they should or should not do certain things.

That is something which we say should be determined as between the provinces, before we are brought into the picture at all. And so we have suggested that they ought to take

those matters to the water board and have them settled. After they are settled, we will be in a position to go and talk to them about the other features of the South Saskatchewan.

Then they go on to say this:

> And among the points with which we take issue are the following:

That is, they are referring to the points raised in the commission's report. Then the other points are included. It goes on to say that, among others, the first of these is the estimated cost. I am not going to go into that matter at all. I think it would be better to do so at some other time. However, they do deal with the matter and give reasons for believing why the cost should not be anything like the amount mentioned.

Then they make reference to the size of farming units, and show a statement in that connection—that they do not carry out the experience that has been had at the St. Mary dam or the Bow river dam, and I am inclined to agree with them on that.

Then they go on to refer to the rights of the other provinces, and say:

> The commission seems unduly concerned about objections of Alberta and Manitoba, for, after all, it says, the river belongs to them too. But Alberta before long will be watering close to a million acres from the tributaries of the South Saskatchewan, and Manitoba's fears of losing water power potential are hardly well grounded, with so many other sites available and new water diversion from other watersheds distinctly possible.

Then they just ask this question: What about Saskatchewan's rights? I say again that that is a very fair editorial coming from the province of Alberta. The only objections that have come to this proposal have come from Alberta. I have read the report most carefully and I cannot find that a single individual who appeared before that commission, excepting one engineer from Alberta, raised objection. I think those who base their decisions on that objection ought to go back and look up the records. I am not going to recite them to you today because they are all on record. I have no doubt that some of my friends from Alberta know what the record is.

Mr. Diefenbaker: The minister has told us of the difficulties in Alberta and a while ago they made the statement, "We are not in position now to go ahead with the South Saskatchewan river dam." He did not use the word "project". Is it because of the attitude of Alberta that the minister made that statement?

Mr. Gardiner: No, if I made that statement—

Mr. Diefenbaker: Those are the exact words.

Mr. Gardiner: I can imagine that a great deal was said before and after it if I said that. In any case, if I did, it simply meant that we have not yet made our decision on the question. We have not yet discussed it with the province of Saskatchewan since the report is out, and until it is discussed we are not in position to proceed.

Mr. Diefenbaker: Or with the cabinet?

Mr. Gardiner: Or with the cabinet. It has not been discussed at either place. I want it distinctly understood that there is not any trouble between myself and any other member of the government. There has never been any trouble about who was going to be on the commission. The government accepted the commission which I recommended. My chief reason for recommending someone that I was not definitely sure was going to say that you could build a dam was that we should be certain before undertaking the construction that the dam would not go out and take Saskatoon with it. When I found a commission, of the kind which was appointed, not in position to say that there was any danger in building the dam, in so far as my own feelings in the matter are concerned I think I was strengthened. My own views are strengthened by the report of the commission rather than otherwise.

Mr. Diefenbaker: You whispered it to other members of the government.

Mr. Gardiner: I not only whispered it, I said it out loud. This is a matter we are trying to reach a reasonable decision about in the hope that if it is done we will be doing something which is in the interests, not only of the area itself but of all Canada, and that the money, if expended, is going to be well expended on a project of that kind.

Mr. Drew: Just with the idea of clarifying the statement the minister has made, I would ask the minister to clarify what he said about this never having been discussed in the cabinet. Was it not discussed in the cabinet before the commission was appointed to make an inquiry into this matter?

Mr. Gardiner: Not the question of whether we were going to do it. As a matter of fact, the only time that this project as such was discussed was on each occasion when we voted money to investigate it. That has been done every year since 1949-50. There have been definite votes. There was a vote of $7,500,000 the first year and $7,890,000 the last year for large projects. Part of that money was set aside for expenditure on the South Saskatchewan. There is still money in the estimates this year for that purpose. Every year that that was brought up I discussed my estimates with the treasury board and with

council and I always submitted an argument in favour of going ahead and making this investigation. Every year the government agreed that the money should be spent in that way and it has been spent in that way.

Coming down to May 31, 1951, I think it was—this is indicated in *Hansard*—I announced the government's position in relation to it, that they were going to appoint a commission. I repeat now that when I brought the recommendation in, that the matter be discussed with the Saskatchewan government, the Prime Minister said to me—I hope you will not consider this a matter as revealing something that happened in council—

Mr. Drew: You mean the Prime Minister of Canada?

Mr. Gardiner: He just said to me, "Have you any objection to the matter being referred to a commissioner or commissioners?" That suggestion was made in the light of some of the reports that had been made to us, and some other things. I was asked if I had any objection to there being a commission, and I said, "No, I have not". That was the discussion. I came into the house that evening and I reported—this is on the record—and two or three days later I recommended a commission. That commission was accepted by the government. They saw the individuals; two of them accepted and one could not. We went on and finally got the commission set up, and the commission reported.

The commission reported, as you know, on January 12. From that time to this there have been no discussions of it. We have not had an opportunity of discussing it and it has not been discussed up to now. That is the present position.

Mr. Wright: Do I understand the minister to say that he never at any time made a recommendation to the cabinet that the South Saskatchewan river project should be given consideration by the government?

Mr. Gardiner: I did not say that I had never recommended it be given consideration. I said I had never yet been in position to recommend that it be proceeded with. The reason for that is an order in council, I think it is 2298 of 1947, which definitely states the procedure that must be followed in the case of every large project. Large projects are not built by P.F.R.A., they are carried out as individual jobs or projects. When it comes to the matter of building a dam in Saskatchewan, that is an individual project that will have to be brought up under that order in council.

Under that order in council I came to the government on May 30, 1951, and stated that I thought the matter was in a position where it could be discussed with the Saskatchewan government and I recommended that it be discussed. When it reached that stage they appointed a commission, and it is in that stage yet. The recommendation now would be, not that we proceed with the dam immediately but that we proceed with the discussion with the Saskatchewan government. That would be the proper procedure and it is the one that would be followed if the decision was arrived at to proceed with further discussion.

The Saskatchewan government is now in a position where they know everything that has been represented to us. We know everything that has been represented to them. When the government has given consideration to it, it will be with all those facts before them. If I am directed to go to Regina and discuss the matter with the Saskatchewan government it will be with all those facts before us.

Mr. Wright: In other words, you have never yet discussed it with the Saskatchewan government?

Mr. Gardiner: No, not since 1951, which I think was the last discussion we had with them. In 1950 we discussed it with them and they were not too sure at that time just what they wanted to do. But a few months later they were fairly sure that they wanted to proceed; in fact I think they have been sure that they wanted to proceed since that time, after having had a discussion with us.

That is the position in relation to it. I thought it better that hon. members should know the position as we see it. I will just summarize what I have been saying in this way. The South Saskatchewan river project, so far as we are concerned, is the dam.

Mr. Drew: What does the minister mean by "we"?

Mr. Gardiner: I mean the government. We have never considered anything else, doing anything else but building the dam and putting in the reservoir.

Mr. Diefenbaker: That is not the government because you have not spoken to the cabinet about it.

Mr. Gardiner: From the beginning when we started to talk about the project as such. I would not just come out and say today, "I am going to recommend this." We have been working on this for ten years. All I am saying is that we have had money voted by the government to work on it. At the end

of that ten years I am in a position to say that I think this project is on all fours with the St. Mary and Bow river projects with only one difference, namely, that it will cost considerably more money than the other two. I think we ought to discuss it with the Saskatchewan government. It has got to that stage.

Mr. Wright: How did these items get in the estimates without being discussed by the government?

Mr. Gardiner: There are many items put in the estimates without a decision being made that the job is going to be done this year.

An hon. Member: Window-dressing.

Mr. Gardiner: I should like to recall to my hon. friend's mind that I believe there was an item put in the estimates to build a post office in one of the Saskatchewan constituencies away back in the time of Mr. Bennett, and I think it was built last year. The fact that these items go into the estimates should not suggest that you are going to do it next week.

Mr. Diefenbaker: Would the minister allow a question?

Mr. Gardiner: I would say that the South Saskatchewan project, as far as we are concerned—

Mr. Diefenbaker: Would the minister allow a question in connection with the estimates? Is the item that is provided in the estimates this year for the construction of the dam or merely for preliminary work as in the past?

Mr. Gardiner: I must say this because I will probably be saying it when I come to the estimates and I had better say it now. Sometimes mistakes are made in even putting items in the estimates, and in so far as this particular matter is concerned $500,000 is just as good as $1 million; but when that estimate was placed before treasury board—my hon. friend smiles at that. The fact is that there is an estimate there while the amendment says that there is not.

Mr. Diefenbaker: It says for construction of the dam.

Mr. Gardiner: So far as the amount of $1 million is concerned, which is the amount that is supposed to be there—and it can be adjusted to put it there—

Mr. Diefenbaker: For construction.

Mr. Gardiner: —if we once decide to construct the dam I doubt very much if you can spend any more than $1 million on construction in the first year.

[Mr. Gardiner.]

Mr. Argue: Is that what the $1 million is there for, construction?

Mr. Gardiner: If we once decide to do it, it is.

Mr. Argue: That is not what it says.

Mr. Gardiner: It could be utilized for that purpose. In the second place, the dam would be the final act of rehabilitation in Saskatchewan. We started out to rehabilitate the areas that had not been properly settled. We said we would spend a considerable amount of money on it. By the time we get through with this we will have spent from $7.50 to $10 an acre on every acre of land utilized for this purpose, and that is quite a bit of money. What we have suggested is that all activities and expenditures will at some time or other revert to the province. Our position will be that we have rehabilitated the area and have put it in the same position in relation to Ottawa as every other province, and therefore it is the province's job to go ahead and continue from there.

The only four projects in western Canada that have been proposed on that basis are the four I have mentioned. The only other one which is even similar is the one involving the Assiniboine river in the province of Manitoba where we have been making surveys near the boundary line between the two provinces. When rehabilitation is fully planned and finally under way, an act generally applicable to all provinces based upon benefits to agriculture should replace the present P.F.R.A. legislation. I think we have discussed the possibilities of that every year now for the last three years, and I would say again that, in view of the change in attitude toward expenditures, provincially and federally, there will be good reason when we draw toward the end of real rehabilitation work to have an act based upon our experience in that area which can be applied in different parts of Canada to take care of soil surveys and other activities in connection with the improvement of farm lands across Canada.

We feel that if there are differences among the three western provinces with respect to the utilization of the water in the Saskatchewan river basin they should meet under the waters board and remove these objections, whatever they are, before we discuss the matter with them or we will not be able to arrive at very definite conclusions.

Mr. Knowles: Would the minister permit a question? Can he say whom he refers to in his use of "we" in this prepared part of his statement?

Mr. Martin: He has already answered that.

Mr. Gardiner: I am referring to myself and other members of the government—the government of Canada.

Mr. Knowles: Does the minister mean the members of the government with whom he has not discussed the matter?

Mr. Gardiner: I think I know them as well as my hon. friend does.

Mr. Knowles: But the minister says he has not discussed the question with them at all.

Mr. Gardiner: I have a pretty good idea what they think about most of the matters I am talking about in spite of the fact we have not discussed them.

Mr. Argue: A one-man cabinet.

Mr. Gardiner: My recommendation has been and my recommendation still is that these two projects, the Red Deer and the South Saskatchewan, be discussed to a final conclusion and that that conclusion be taken up with the two provinces and finally determined upon. That is our intention, and I am not in a position to go any further than that at the moment. I would suggest that I do not see any good point in continuing the amendment to the motion to go into supply in view of the fact that it does not indicate the facts as they are and in view of the fact that I think all members from western Canada will be pretty well agreed on what should be done about the South Saskatchewan river dam. I am not so sure that all members from all parts of Canada would not be agreed. Why put members in the position of having to vote against the amendment just because it contains statements that are not correct or just because, if it should be passed, it would be interpreted by some people at least as a vote of want of confidence in the government? Why should they insist on that? The objective of all of us is to try to set up conditions under which this project will be carried through, and I think the sooner we get down to the estimates and get talking about something when we have decisions made the better it will be for all of us. I would therefore suggest that we drop this discussion and go on to something else. I hope my friends will agree with that for the moment, and then we can finish this discussion at the proper time when we have all the information before us.

Mr. George H. Hees (Broadview): Mr. Speaker, after listening to the minister's very interesting hour and a half speech on the South Saskatchewan dam project I am afraid I am no more convinced now than I was before he started that the people of Saskatchewan are receiving a fair deal with respect to the project. In fact, I am becoming more and more convinced that they are not.

Mr. Dechene: Who cares what you think?

Mr. Hees: This afternoon the minister discussed practically everything else except the reason why the government has not proceeded long ago with the project which he has been promising the people of Saskatchewan for a long time. This afternoon the minister said that he had not been promising this dam. I should like to read a quotation from the Regina *Leader-Post* dealing with a speech that the minister made at a luncheon gathering of the Regina board of trade on April 27, 1946. The report reads as follows:

> The dominion government had already mapped out a program, and it was a program involving $110 million. This would be used largely in providing for the storage of water and partly for the distribution of this water where needed. The dominion government thus did not need the endorsation of the South Saskatchewan river development association to begin work on the South Saskatchewan river. It had already decided to go through with it.

The article reports the minister as going on to say:

> —a decision would be reached on where the dam on the South Saskatchewan should be placed. It would be on one of three sites between the Elbow and Saskatoon. As soon as the site had been finally decided upon contracts would be let, and work would proceed immediately.

That is seven years ago. Well, listening to the minister's speech this afternoon, Mr. Speaker, I was reminded very much of the speeches we have become used to from the Minister of National Defence (Mr. Claxton) because we took a cross-country tour and we arrived absolutely nowhere.

We learned only two things: first of all that the matter has never been discussed in the cabinet, and the probability is that it will not be discussed for an indefinite period of time; and the second, a most interesting thing, and these are the minister's own words because I jotted them down as he spoke, "the commissioners were not free to report as they would have desired". That I think is a very interesting thing to have learned.

Mr. Gardiner: Of their own choice.

Mr. Hees: Well, I jotted that down.

Mr. Gardiner: There was an explanation given. I do not think my hon. friend wants to be fair. I was asked about it at the time I made the statement. I explained what I meant and I think that is what should be stated now.

Mr. Hees: Well, Mr. Speaker, it has convinced me that the commissioners were not reporting as, in all probability, they would have liked to report. That is the impression that has been left with me.

Now, the minister told us that the cabinet would like to reach a reasonable decision upon this matter, but I want to ask him how in the world we are ever going to get anybody to reach a reasonable decision on anything if they refuse to discuss it. He told us that this thing is probably not going to be discussed for an indefinite period of time. I would like to know how this thing is ever going to be approved unless the cabinet is going to come to grips with it. From what I can see, they just want to promise it for the next election and then put it off, promise it again and put it off—just to keep the old evergreen tree in the forest ever growing.

An hon. Member: They are going to be here a long time.

Mr. Hees: If these promises are not going to be kept you will not be here after the next election.

An hon. Member: You said so yourself.

Mr. Hees: I said you people could promise them—and you can promise them just as well in opposition. You do not have to be in government to promise them. You can do that in opposition.

Mr. Deputy Speaker: Order.

Mr. Hees: We will give them four more weeks. Now, Mr. Speaker, after studying this South Saskatchewan project report, I have been left with the very definite impression that the commissioners must have received a directive from this government to bring in a report proving that this dam should not be built. I come to that conclusion because practically no attention has been paid to the great number of benefits that would derive from this project, and all attention seems to have been concentrated on the few drawbacks. So, I am left with that impression, and it is a very disturbing impression to receive when there had been expected a free commission with tremendous experience which could have been expected to bring in a report that one could really rely upon.

Another thing the minister said this afternoon was that the people in Alberta had no concern whether this project was built or not. That is a statement I wish to disagree with very heartily and I want to say that this project is not only of importance to the people of Saskatchewan but it is of prime importance to all of the people of this country.

Mr. Gardiner: Might I just say, as a matter of keeping the record straight, that what I said about Alberta I read from an editorial published by the Calgary *Albertan* in the city of Calgary. I do not think even that meant just exactly what my friend has indicated.

Mr. Hees: I was not trying to misinterpret the minister's words but I understood the minister to say that he agreed with the editorial, that is all.

Mr. Gardiner: I did, but the editorial does not say that.

Mr. Hees: As a resident of Ontario, Mr. Speaker, I have learned that the prosperity of Ontario depends very largely on the prosperity of all other parts of the country. We, in central Canada, have learned that we cannot be prosperous unless the west and the maritimes are prosperous as well. So, I feel that statement about other provinces not being interested in this project is a completely erroneous one.

Mr. Gardiner: Who made that statement?

Mr. Hees: It was a statement made in the paper and I understand and still believe that the minister agrees with it.

Mr. Deputy Speaker: Order. The hon. member must take the minister's word for what his statement was. The minister stood up a minute ago and explained what he did not agree with and told what he agreed with —and so the hon. member must accept the minister's word for it.

Mr. Hees: I did not understand the minister to say he disagreed. I thought he said they were not his words but that he was reading from an editorial.

In addition to providing much-needed irrigation for the farm lands of Saskatchewan, one of the things that appeal to me, as someone coming from central Canada, is the fact that this project would provide very important sources of hydroelectric power for the people of Saskatchewan, and would make it possible to bring industries to that province to make their economy less dependent on agriculture.

I believe that if we are going to build a stable economy in this country, we must make it possible for industries to move to the prairie provinces and to the maritimes. That cannot be done unless provision is made for hydroelectric power. That is the first step, and I believe that this project is an ideal example of just how that can be done.

I believe that this is the kind of project that can only be undertaken by government, because of its size. I believe that this is the

kind of project that government should undertake, and it is for that reason I strongly urge this government to go ahead with the project.

I believe that they will be doing a great service, not only to the people of Saskatchewan, but to all of the people of this country. I believe that it will be a very forward step in making possible diversification of industry right across this nation. That is a most necessary step if we are to arrive at a really stable economy.

I was out in Saskatchewan a year ago and I talked to a great many people who would be affected by this project. I was first of all very much impressed by the stories they told me of conditions that existed in the area during the thirties. I was amazed that conditions could be so bad and last for so long. I was also very much impressed by the fervent hope that had been engendered in these people by what they considered to be the firm promise by this government that this dam would be built. The minister has said that he has not promised that the dam would be built; but he has certainly created an impression in the minds of the people of Saskatchewan that this government would proceed with this project. I appeal to him on grounds of political honesty, if nothing else, because in some way or another the people in that area have been convinced that this government is going ahead with this project. I urge him on that ground, if nothing else, to do everything that he can to persuade his colleagues that it should be undertaken, when they finally get around to discussing this project.

Mr. Diefenbaker: Tell them about it anyway.

Mr. Hees: Yes, tell them about it. Discuss it back and forth. I urge the minister and the other members of the government to go ahead with this project at the very earliest possible opportunity.

Mr. R. R. Knight (Saskatoon): As a speech the minister's was a fine statement. He talked for some hour and a half but I am not sure that he had sufficient time to make himself too clear.

Mr. Gardiner: I might say that if I had not been asked any questions I would have got through in an hour and made it clear.

Mr. Knight: I am not interested in the history of the past. At the moment I am interested in what the forecast is for the future.

The minister did give us, although he did not need to give it to us, his own personal view that he is in favour of the building of the dam. We have known that for many years since he has made it the basis of many election promises and the minister knows that is true.

He said, in the course of his speech, that he had never said the dam would be built. He could not say that without cabinet consent, but he did promise it in the political sense—and the minister need not shake his head at me. I heard him at the technical school in Saskatoon—he promised $110 million of expenditure of federal money on the undertaking, if we may call it that, the next year. I know there was certain mention of Alberta, but I also know that at that time the Saskatchewan project was supposed to cost only $65 million, and I know that in the minds of his listeners and in the press—because I have the clipping—$110 million was promised.

Mr. Gardiner: As a matter of privilege, Mr. Speaker, may I say this. Reference has been made twice, both by the hon. member who preceded him and by the hon. member who is now speaking, to an expenditure of $110 million. That expenditure which was under discussion for some years was an expenditure that was reported here to the committee of this house in 1943 and it was $110 million covering all four of these projects. We know now that it is much bigger than that.

Mr. Knight: Exactly. It covered those four projects. It included building the South Saskatchewan dam, in those days a project the estimate for which was much less than at present. Certainly we had the conviction that that amount of money at that time would have covered it, whether that was right or wrong.

I took down a note or two of some of the minister's remarks today and I might deal with these first. He expressed his personal view, but at that particular time I had the impression here that he was not expressing the view of the government. He did that later. He was asked about the word "we", and I will come to that matter later. But he did not give us any decision as to action or inaction as the result of this report. I propose to keep to the subject in spite of the smoke screen that was laid down by the minister, as he is so capable of doing. I remember what happened once before when I twitted him—if that is the right word—on this particular matter. The minister has a habit, when you ask him question A, of going to question B; and as the former member for Cariboo said at the time, then we are all at "C". As a matter of fact that has been the situation in so far as the people of Saskatchewan are concerned ever since 1943, when the minister started this campaign—a campaign, may I say, of various kinds.

I believe in taking the minister at his word, but my word is also of some value. I know what I heard him say on the radio

and I have seen him quoted by men whom I consider to be good reporters. I know they can make mistakes; they have made some with reference to myself. The minister says this—I was amazed at this statement—and I wrote it down as he said it: "P.F.R.A. is not associated with the building of the dam". We know it is not the job of P.F.R.A. to build the dam, but I should like to have the minister check the figures. I might say to him that when he gives 1946 or 1947 as the date of any survey into this matter, it goes back further than that. In the sessional paper No. 170B of Tuesday, February 3, I asked the question:

> What was the total amount spent by P.F.R.A., since and including 1942 to the present date,—

And then note the words:

> —upon studies or surveys of the South Saskatchewan river project.

The question is clear enough. Then we have the answer. We have a total expenditure, for the years for which I asked, of $2,780,489. I am going to suggest to the minister that that is a great deal of money to spend on a survey for one project and that it must have resulted in the accumulation of a good deal of expert knowledge with regard to that particular project.

Mr. Gardiner: Would my hon. friend allow me to answer the question he raises? This report says that the money was spent out of P.F.R.A. funds down to 1948-49. Some money was spent under P.F.R.A. each year during the period when we were investigating the possibilities of building a dam somewhere in Saskatchewan. When the location was determined, from there on it was $869,000 in 1949-50 and large sums after that, not taken out of P.F.R.A. but out of the major projects vote.

Mr. Knight: I think my question was fairly specific and that I obtained a reasonably specific answer. My interpretation of that answer is that P.F.R.A. spent almost $3 million specifically on surveys into the practicability of building what is known as the South Saskatchewan dam.

The next thing I come to is the part where the minister says the matter has never been discussed in the dominion cabinet. I have always admired the minister as a missionary for this project before the cabinet. I can only say I am disappointed that the matter has never been brought before that body. The situation looks bad. I would suggest that it does not look as though the minister had any particular faith in his colleagues, or else it looks as though his colleagues have no particular faith in him. Yet later he uses the term "we"; and in reply to a question he said that that "we" referred to himself and his colleagues in the cabinet.

I was interested to know that the members of the commission had been appointed by the Minister of Agriculture himself. Then I was astonished at the following statement; I am not sure that I picked it up properly. Apparently he was pleased with this report because, forsooth, it finds in the opposite direction from his own personal favourable opinion.

Mr. Gardiner: Oh, no.

Mr. Knight: That is as I understood what the minister said.

Mr. Gardiner: If the hon. member wishes to be clear on that point may I say that what I said was the very opposite. I said the fact I was concerned about was whether a dam could be made to stay at that location. They have not said that it could not be made to stay there, a fact which has justified me in thinking it can stay there.

Mr. Knight: I thank the minister. The next statement I come to is the statement that there had not actually been any discussion with the province of Saskatchewan. That also is an amazing thing to me in view of the correspondence, copies of which I have here, between Premier Douglas and, may I say, the minister himself. It is dated 1951. I might quote a line or two from it. This is from Premier Douglas and he is addressing the Minister of Agriculture:

> My colleagues and I are most anxious that the South Saskatchewan river development project shall be proceeded with at the earliest possible date. As soon as the federal government has announced its intention—

If there has been no discussion, I suggest that it would be difficult for them to announce the intention.

> —to proceed with this undertaking we are prepared to negotiate and sign an agreement on the basis of the allocation of costs outlined above.

Just in case we might not be sure that the minister had received that communication, here is the answer to it written by the Minister of Agriculture (Mr. Gardiner) to Hon. T. C. Douglas:

> I note that as soon as the federal government has announced its intention to proceed with this undertaking your government is prepared to negotiate and sign an agreement on the basis of the above allocation of costs.

Mr. Douglas said in a letter following:

> In view of the foregoing, we cannot see that any further delay is necessary. We would urge again that the government of Canada should recognize its obligations in this matter and undertake the immediate construction of this project which will undoubtedly benefit the nation as a whole and Saskatchewan in particular.

My own idea about this commission being set up was this. I did not see any necessity for a commission at all. I was basing that view on the fact that if $3 million had been spent by competent engineers solely on the study and survey of this particular question, then everything that could be said had been said. I suggest that is the reason the people of Saskatchewan got the idea that this was simply another stall to put the matter off for a year in order to give the minister time to bring the matter before the dominion cabinet for discussion. At any rate the letter continues:

Dr. L. B. Thomson has in fact expressed to us—

Again this is a letter from the premier to the Minister of Agriculture.

—the view that no irrigation project in Canada has ever been so thoroughly and carefully documented as this proposal.

Mr. Douglas says:

We cannot appreciate the need for this further review, but are of course prepared to co-operate with the committee in any way we possibly can expedite their work.

That seems a reasonable position to take. Now that we have finished the discussion with the minister, the main thing is that we have to keep our eye on the ball. If I may use the vernacular, the main thing is, where do we go from here? What is the prospect for the future? Judging by the minister's statement today, I would think it is not very bright. He has been talking of ten years, fifteen years and so on. Of course he has this justification, that we have been ten years or fifteen years in the past and that again can be translated in terms of another ten years or fifteen years in the future.

As I see it, the main thing we have to concern ourselves with is that the report of the commission on this project has been unfavourable. Like other towns in the district, we in the city of Saskatoon are terribly disappointed. We are progressing in that town. Things have been progressing. We will be getting natural gas next year. It would seem that electric power will be cheaper there in the future. We had hoped that this project would have increased the population of the surrounding area, would have increased and made more profitable business in the city, and that we might have had a beginning of heavy industry owing to the fact that power would have been abundant and that more local markets would be available. Therefore I do not think anyone there or in the surrounding territory will accept this decision of the commissioners as final. We think there should be a further investigation before this matter is completely written off.

Previous speakers have opened wide and deep holes in the report itself. I shall not do that. The hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Melfort (Mr. Wright), among others, took the report paragraph by paragraph and gave it some criticism.

There were two circumstances particularly conducive to an unfavourable report. One of these was the fact that the district, as the minister well knows, has for the last two years enjoyed a much better rainfall than it had throughout the previous years. That is to say, the commission held its sittings after two of the most prosperous years, in the matter of wheat crops owing to extra precipitation, that we have had in our history. If that report had been written by men who were sitting in a hotel room full of dust, with dust all over their tables, dust on their floors and wind howling outside the window, I fancy the report would have had a different complexion. If it had been written in the year 1936 or 1937 it would have been different. The other unfortunate thing is the death of Dr. Widtsoe who, as I see it, was really the only irrigation man on that commission, because I understand the other men can be classified as power engineers. They were interested chiefly in the potential production of power from that project.

Well, we must not allow a red herring to be drawn across the trail. By the term "red herring" I refer to these counter-proposals, most of which I think would favour the province of Alberta. Alberta has already benefited from any irrigation work the dominion government has undertaken. I came across an editorial in the *Leader-Post* which says:

Up to now, condemnation of the report has been unanimous, in Saskatchewan at least, although a contrary note has been sounded in Alberta where that government's minister of agriculture expressed gratitude to the commission and declared, in effect, that its recommendations were exactly what the neighbouring province wanted.

I do not know whether that is the statement to which the minister referred when he said he could hardly believe that the man meant to say what he was apparently reported as having said, and I share that feeling with him because I do not think Alberta, which has nothing to lose in this particular matter, would give this as their considered opinion about a thing which would so benefit the population of a neighbouring province.

These other things of course are only supplementary. They are not substitutes for the main project. The main objection to the project in the report is the cost. I think the estimated cost was $247 million, and I believe they raised that to $250 million. A great

many other people do not accept that figure. It is about twice as great as the estimate of the P.F.R.A. engineers, and I do not believe their estimate was given very much before this one in point of time. We have always wondered why the P.F.R.A. engineers were not given an opportunity to come before the commission to say whatever they had in their minds. We think the government was in some way or other opposed to its own engineers and officials going to the place where they might give opinions favourable to the project.

Mr. Gardiner: May I repeat what I said the other day. These men were available to the commission at all times, and the commission did see them about all these matters.

Mr. Knight: Not in a public hearing.

Mr. Gardiner: Well, that is not necessary; they saw them and had their opinions.

Mr. Knight: That may be so, but they certainly were not called before a public hearing.

As to the talk that this great expenditure is not justified in the national interest, well, it is apparently in the national interest to spend a billion dollars on the St. Lawrence seaway in the east. We in the west are not opposed to that. I am sure none of our western members has opposed it, or I have not heard of any of them opposing it. If it is for the good of Canada, they are for it. If the government is prepared to spend that much money in eastern Canada in the national interest, we also claim some share of the national purse in the national interest, and we do believe that this project would be in the national interest. That the provincial government has guaranteed to do its share has been amply proven. I am not going to read the correspondence; it is all on record. I think it has been put on the record earlier in this debate. I refer to letters from Premier Douglas.

After the 1949 election, when the Minister of Agriculture came back and told us so blandly that we could not do anything without the consent of the province, I think Premier Douglas sent either a letter or a telegram to the minister assuring the minister of that province's co-operation. And in the face of changed circumstances, even if the cost in this report were accepted, there is the record of the correspondence between Premier Douglas and the minister in which the premier again, in spite of the raised estimate, assured the minister of his co-operation in that regard. I think the correspondence was put on the record by the hon. member for Melfort (Mr. Wright). I am not going to touch on it today.

[Mr. Knight.]

I have said that the P.F.R.A. officials had valuable evidence which they could have submitted had they been asked for it at a public hearing. We do not know what they said privately to these engineers. We are not interested, because this is public business and public business must be a matter of record. I suggest that these are men who know something about the thing they are doing. The minister will agree with that, and furthermore these men have lived with it. I do not mean that metaphorically; I mean it literally. They have lived there in Saskatchewan doing their work. They understand the conditions. A lot of them have lived there during the dry years. They made extensive studies. As I have said, a large amount of money has been spent on these studies. The amount spent on studies and surveys was $2,780,489. I suggest that when the commission was set up, to a great extent the facts were already known. I have already quoted Mr. Thomson's remark in that regard.

Now, I am not going to suggest that these latter surveys, the ones that I do not think were particularly necessary, were made purely for political reasons. But I do say that their outward manifestation certainly did not do any harm to the Liberal party in Saskatchewan throughout those years. People who see these engineers with their cars and bulldozers working along the river bank will say, "This government is really going to do something".

As a matter of fact I have come to be just a little bit political. As I say, I think the whole political history of the thing has been somewhat unsavoury. The Minister of Agriculture (Mr. Gardiner) has done much to promote this idea and, more than that, to popularize it in the public mind. Presumably this is done in the interests of the nation, but if a little popular favour happens to fall his way or to his side, and he can garner a few votes, that is all to the good, of course.

We do not blame him for that, so long as he fulfils the promises he makes. In 1944 the vast sums to which I have referred were promised; I have heard the minister make reference to them, myself. Then in 1945, before the election, it was exactly the same thing. Then came the by-election in Rosthern. I believe it was in 1948, when the junior member for Rosthern (Mr. Boucher) was elected. We had maps—do you remember the maps in the *Star-Phoenix*, and in other papers?

Mr. Martin: The by-election was in 1949.

Mr. Knowles: It was 1948; he came here in 1949.

Mr. Martin: I took part in it.

Mr. Knight: With all due respect to the minister, I would just as soon trust the memory of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Martin: All right; but if you want the truth I will give it to you.

Mr. Hees: If you want the truth, go to Paul.

Mr. Knight: I do not know whether the minister perpetrated the material put out by our Liberal friends at that time, but everybody knows that the Rosthern area is for the most part away up north of Saskatoon, and would not be affected by this project. But they have lakes and rivers all over that map.

Mr. Gardiner: It is the same map that is in here.

Mr. Knight: Then on October 20, 1948, the then member for Rosthern, Mr. Tucker, said, "It is up to the people of Rosthern to give their endorsation to Mr. Boucher, the Liberal candidate, if they want the project proceeded with".

Mr. Martin: Would the hon. member permit an interruption?

Mr. Knight: Is the minister objecting to what I am saying?

Mr. Martin: No. I want to correct what I said a moment ago. For the first time in many weeks the hon. member for Winnipeg North Centre was right.

Mr. Hees: And Paul was wrong. Well, what do you know about that?

Mr. Knowles: As the minister knows, the hon. member for Winnipeg North Centre is always right.

Mr. Knight: I am going to suggest that there is a threat in what was said by Mr. Tucker at that time—"if they want the project proceeded with". There were lots of statements. It was a subtle sort of thing, with references to the necessity of a more co-operative government in Saskatchewan. There was a suggestion, for instance, that if we had a government in Saskatchewan of the same political complexion as the federal government, it would be much simpler to get these things done. Then Mr. Boucher came to Ottawa; and I now hear that Mr. Tucker has decreed that Mr. Boucher is to leave Ottawa.

In 1949 we had the same problem, this time just before a federal election. "Send me down 14 Liberal members," said the Minister of Agriculture and Mr. Tucker, "and everything will be fine." Well, the Liberal members came down, but we still have no dam.

Mr. Knowles: Just the members.

Mr. Knight: I remember that in 1949 someone sent me a specimen of the election literature of the hon. member for Regina City (Mr. McCusker) in which he said, "Send me to Ottawa, if you want water in Regina." Well, Regina still wants water.

Mr. McCusker: They are building the pipe line now.

Mr. Knight: My hon. friend reminds me of a bus driver I met in the north of Ireland. I had been travelling for three weeks, almost always in the rain, going east to the Atlantic coast, going across on the boat. For three weeks it rained steadily. I said to the Irish bus driver, "Is it always raining like this? Does the sun never shine?" "Oh," he said, "sir, just give it time." And I presume my hon. friend from Regina will be saying at the next election, "Just give us time and we will get you water, and a lot of other things."

Mr. McCusker: You will have it there.

Mr. Knight: The amazing thing was that when we came back in 1949 the minister was very genial. He had just won and was very pleased. When we said, "Well now, here you are with your Liberal majority; when do we get the dam?" he said, "Well, you cannot do anything without the co-operation of the provinces." Premier Douglas' letter was swift in reply to that.

But still nothing was done. I remember suggestions that the minister had changed his attitude, and he said, "There is no change in attitude. It is our child. Why should we desert it now?" Well, I should go back to my Irish history again. I remember that when certain old ladies went around in the cities wearing their black shawls and begging for money they always borrowed a little child, because it would make a better appeal to the public. It makes me think of the minister whose child, this project, has never grown up. It is just the same size year after year; and between elections he would like to leave it on the provincial doorstep.

Here we are in 1953, with another election in the offing. I can say that we, all of us including the minister and the government have come to the end of the road. The minister told us that he had gone underground. Well, that is a very significant phrase. If he knows anything about English hunting he will know what that phrase means. A better expression would be to say that he had gone to earth; that is the phrase they use.

It has been a long road; I cannot call it a crooked road because that might be unpar

liamentary; but I can say it has been a tortuous one. I suggest the minister is now at the end of it. We have now come to the time when there can be no more deviation. Now is the time of decision.

I note that the minister described the report as a silly dam report; I suggest he could have changed the order of the words and still have been right. I am pleased to note that the minister is still in favour of the project.

Mr. Knowles: It is all a matter of how you spell it.

Mr. Knight: But I would like to remind the minister, when he is thinking in these terms, that a negative decision involves him as the responsible minister of the government, whether he is in favour of it or whether he is not in favour of it personally. And I suggest he had better find out as soon as possible. Since he has never discussed the matter with the cabinet, I suggest now would be a good time to start because, as I have said, he will have to shoulder the responsibility for that decision.

There has been some talk of what was said and was not said away back in 1943. There have been references to what was promised and what was not promised. It all looks very confusing. I ran into an interesting thing which goes back to 1944 or 1945, certainly to a time prior to the 1945 election. Then a Liberal candidate speaking at Moose Jaw before the election of 1945 said:

> There is still a lot of detail work to be done—

He can say that again now.

> —but the main lines have been thoroughly gone into and it has been found to be economically sound, and will be commenced immediately the men are available to do the work.

At that time there was a shortage of labour. Then there was a paid advertisement in the Moose Jaw *Times-Herald* under the sponsorship of the Liberal party of Saskatchewan. This was just before the election, and it read:

> The southern Saskatchewan Thunder creek irrigation project alone will undoubtedly contribute much to the prosperity of both our city and surrounding district, which interests are interlocking. This project will be commenced immediately men and material are available.

Mr. Gardiner: Finished long ago.

Mr. Knight: Then on the last sheet there is a quotation from a broadcast, I presume a political one, made by my hon. friend the attorney general of Saskatchewan. This is back in 1944, previous to the 1945 election. What a prophet he was when he said:

> I am prepared to go out on a limb and predict that in spite of their definite promises and pledges the Liberals will advance the scheme just far enough in the next four or five years to use it again as bait in the next federal election. I realize I can be made to look foolish if the prediction turns out wrong but I know the Liberals well enough to be without fear that the limb I am on will break off under me.

Mr. Knowles: How right he was.

Mr. Knight: How right he was. One can get a certain amount of humour out of this situation, but I should like to say just a word or two to my hon. friends who live in eastern Canada. Their problem is not caused by not having enough water, but by having too much. You have it all around you in your lakes, rivers and streams. I do not think my hon. friends from the eastern part of Canada can get the picture at all, for instance in regard to dry farming. They are not dry farming conscious; they are not drought conscious.

It is true you had a depression here, but we had to face the effects of that world depression plus the ruination of our farm industry by drought. It was a case of depression plus starvation. In the east you had some industry, there was something going on, and you had food. May I say that food was one thing which some of the people in those areas in Saskatchewan, as my hon. friends well know, just did not have.

In thinking of the national interest, let us consider what was spent on relief in those days. I have not the figure, but I believe it was $187 million.

Mr. Knowles: Altogether, over the period.

Mr. Gardiner: $186 million.

Mr. Knight: I know there were two 10-year periods when the amounts spent were practically the same, and my point is that if those amounts were added together you would have enough to build this South Saskatchewan river dam. It would have been more than enough to build it in those days. That money came out of the pockets of the national taxpayer. These things recur; this may happen again and this dam and irrigation project would be insurance against that particular type of misfortune.

My eastern friends have had no experience with drought. They do not know what it is to live through a dust storm, to see the constantly-sifting sand piling up on the road allowances in great mounds by the telephone poles, mounds which are still there today but fortunately now covered with green grass. I noticed one silly line in the report where someone said that after all green grass did not bring about a prosperous economy. I want to say to him that the difference between

green and grey is a matter of life and death, the difference between starvation and existence.

Many people in Saskatchewan found that out. Men had to shoot down their stock with the possible exception of one milch cow. A farmer would go to the nearest town to buy a single bale of hay to haul back in his buggy to feed the cow. People in the east have no conception of these things. They have no idea how the Russian thistles piled up against the fences and gates. They do not know how our precious six inches of topsoil, practically our only source of wealth in Saskatchewan, was deposited in the ditches and along the road allowances or at any point where it could be piled up by the wind. That precious topsoil was depleted. Then we had the invasion of grasshoppers which ate the small bit of green grass that had been left.

There was the trek north. Between 1930 and 1937, every morning in Saskatoon we would be awakened at five or six o'clock by the wagons going north. You would look out and see a pitiful hayrack with a team of thin horses, a cook stove, probably a barrel containing most of the household goods, and sometimes a single cow tied behind. There might be three or four children and the mother. They were heading northwest in pursuit of that green grass which the report says is not too important. It was in that way that Loon Lake and Meadow Lake and many other districts were settled by those who are living there today. Since the rains have come many of them have returned to their old homes.

I have tried to tell of these conditions, but the reality was much worse than anything I can describe. We have seen these things and we are conscious of them. Easterners may not believe it, but every Sunday afternoon in the summer three or four hundred cars will drive up to a small dam near my home for one purpose only, just to watch the water go by. Those of us who came through that experience of drought have a realization of what water is worth. That water is going down to the sea, yet it could mean life to parched land, it is water which would provide a livelihood for farmers, increased prosperity for our towns and added industry. In the name of my own city and the constituency of Saskatoon I ask that this project be proceeded with forthwith.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the amendment which was placed before the house on the motion to go into supply presents an opportunity for hon. members to express their opinion as to whether there should or should not be definite provision by the government for the construction of a dam on the South Saskatchewan river along with the other works that would go with it.

This afternoon the Minister of Agriculture (Mr. Gardiner) gave his reasons for not supporting the amendment to the motion to go into supply, and also for not supporting the subamendment.

He says the statement in the amendment which has been moved is not correct. He indicates that there is a provision in the estimates for a sum of money, and for that reason he cannot support the amendment. He has made it abundantly clear in his statement to the house this afternoon, Mr. Speaker, that the figure included in the estimates is not for construction. Let that be clearly in the mind of every hon. member who seeks an excuse in the statement of the Minister of Agriculture (Mr. Gardiner) this afternoon for voting against the amendment before the house.

Mr. Gardiner: In order to keep the record straight, may I call attention to the fact that at page 121 of the estimates there are four items: Bow river irrigation project, St. Mary irrigation project, South Saskatchewan river development, and Buffalo Pound lake reservoir, and the others all include construction. They are all under construction, and there is no reason why this amount cannot be used in the same way.

Mr. Drew: The minister has made it abundantly clear this afternoon that this is not for construction. In fact all his earlier statements would have been meaningless if it were for construction, because he told us this afternoon that he has never at any time said that this construction was going ahead. I must confess that came as a surprise after some of the reports that have appeared from time to time in the press. Nevertheless that is his statement. If that is his statement, then it would seem quite obvious that the item included in the estimates is not for construction. Since it is not for construction then it is appropriate that those members who think there should be construction should have the opportunity to express their opinion in the manner provided by the amendment and the subamendment.

The reason the minister has given for not supporting the subamendment is that the P.F.R.A. engineers have not made recommendations. Some members will have difficulty in determining when a recommendation becomes a recommendation if the statement of the minister is correct. Most certainly the engineers who have served with the P.F.R.A.

administration have been very emphatic in publicly making their recommendation on different occasions that this project should be proceeded with. The report on the South Saskatchewan river project, printed by the king's printer with the heading "Department of Agriculture" and carrying the date of April, 1951, gives a long series of benefits which the engineers say would result from proceeding with this development. They put forward the benefits that would result from irrigation, power, municipal water supply and recreation.

Not only have they given their explanation of the extensive benefits that would result from the development, but in public they have indicated quite clearly their belief that it should be proceeded with. The minister this afternoon has made it rather difficult for us to understand exactly what his position is. He has told us that never at any time has he made the statement that the South Saskatchewan river dam was going to be built. Undoubtedly that will be disappointing to many people who thought he had. Undoubtedly they will expect some further explanation of the reports, which he would now appear to regard as erroneous, giving the very opposite impression. The words he used were: "On no occasion at any time have I stated that the South Saskatchewan river dam was going to be built." Those words make it clear that there should be a motion before the house to give some of us a chance to say by a vote, which is the only way we can say it effectively, that this dam should be built and that the project should be proceeded with.

There is one thing in regard to which I think there will be agreement on both sides of the house. The minister has said that this is not a subject of concern only to the people of Saskatchewan. With that I am sure there will be general agreement. The subject is one of interest to every Canadian who believes that we are citizens of one country, and that it is the responsibility of the members of this house, from whatever part of Canada they come and on whichever side of the house they sit, to bear in mind that our responsibility is to the people of Canada as a people living in one country which we all serve.

The Minister of Agriculture left us in some uncertainty as to what his exact meaning was. In spite of some interesting revelations as to discussions in cabinet council, he has told us that this subject has never been discussed by the government of Canada in council. He left some uncertainty as to that positive statement by his reference to the various occasions when items have been entered in the estimates for the necessary preliminary work. Nevertheless, as the Speaker has pointed out on different occasions, we are bound to accept the statement of the minister; and his statement is that this subject has never yet been discussed by the government of Canada in council.

Mr. Gardiner: That is the question as to whether we are going to build the dam.

Mr. Drew: That is what I understood. The minister has now again confirmed the fact that never yet in cabinet council has the question been discussed of whether or not they would proceed with the dam. On the basis of that statement I submit there is every reason why we should be considering an amendment such as we have before us and why hon. members should indicate to the government by their votes that they do want this project proceeded with.

There may be some suggestion that the facts are not yet available. There may be some suggestion that a further inquiry should be conducted. Surely there must be some end to inquiries before action is taken. Of course I do agree that this government has established the practice of conducting inquiries into inquiries, and apparently it is a habit that is catching. But in this particular case there have been so many inquiries, the subject has been under consideration for so long, that one would have thought that by this time the government would be in a position to hear some discussion of this subject. No matter what the outcome of the vote on the amendment may be, I strongly urge the Minister of Agriculture that for the first time he give the cabinet the benefit of his knowledge of this subject, because I think they might be interested in the South Saskatchewan dam and also in whether or not this subject, which is discussed so much in Saskatchewan, might not also be discussed by the cabinet which is the executive body of parliament.

I for one am greatly surprised to hear for the first time this afternoon that it has never been discussed although we have discussed it so frequently in the house. That very fact of course naturally fortifies the opinion of those of us who think that it should be discussed and that it would be helpful for the government to hear views expressed on it, since they have not received the benefit of the views of the minister in cabinet council.

This subject has been under consideration in different ways for a very long time. In fact it was first discussed before confederation, before 1867. It had been pointed out

that it would be highly desirable to augment the waters of the South Saskatchewan river by the construction of a dam at an appropriate place. Throughout long years the possibility of using water power in that river has been under consideration. It is now considerably more than forty years since I visited that river for the first time and was told by people living in that area of the wonderful results that would flow from the construction of a dam, and the use of water for irrigation and power. It has been under consideration for a very long time.

During the years since people were convinced that this would be a desirable project hundreds of millions of dollars worth of unused energy has flowed down that river because the decision has not been made. Throughout all these years whatever water power was there in potential form has gone to waste. Throughout all these years whatever water could have been used for irrigation has also been unused.

Granted that there must always be some time of beginning, granted that the reasons for proceeding with this development were not so apparent in those early years as they are today, the fact remains that throughout the last twenty years at least there has been the most convincing evidence of the necessity for the effective use of the water resources that are available in that area, and for the development also of whatever power potential can be harnessed on the South Saskatchewan.

This subject must be of interest to all members of this house who are called upon to consider other ventures at the same time. To many of us it must seem strange that it is only in the case of this particular development that it seems to be so necessary to refer the responsibility to a royal commission. There was no royal commission appointed when it was decided to support the Canadian Pacific Railway which gave us transportation right across Canada. Engineers were employed by the government and upon the advice of those engineers the government acted. At that time the government was not told that there was no population adequate to use the rail services that would cross the prairies. At that time the government acted in the belief that the way to get population there was to provide that facility.

There was no royal commission appointed at the time it was decided by another Conservative government years later to create the Canadian National Railways by the amalgamation of different services across the country. They acted on the advice of engineers, and the decision was made upon the advice of competent engineers at that time.

There was no royal commission appointed to find out whether it was appropriate for the taxpayers of Canada to construct a canal across the Niagara peninsula. Competent engineers were employed and their decisions and recommendations guided the government at that time. There was no royal commission appointed to inquire into the construction and the subsequent expansion and development of the Sault canals, and the power made available from that source. There again competent engineers were relied upon and the decisions taken on their recommendations.

This house has on different occasions been called upon to indicate its views in regard to the St. Lawrence deep waterway, something that will undoubtedly be of benefit to a particular part of Canada. Nevertheless it is to be regarded with satisfaction on the part of Canadians generally that no local consideration has guided the expressions of members of this house in their discussions of this subject. With admirable recognition of the unity of Canada in matters of this kind, members of this house from right across Canada have indicated their belief that although the development of this St. Lawrence deep waterway will undoubtedly most greatly benefit Quebec, Ontario and Manitoba—and undoubtedly Ontario most of all—it is something that meets with the approval of all members because of the increased economic strength that will come to Canada and the increased production which will result from this development.

I submit that hon. members of this house, on both sides of the house, should regard this matter in the same light and should be prepared to accord the same measure of support to this project in Saskatchewan that they have accorded to the St. Lawrence deep waterway and to these other projects which have all been regarded as part of the expanding development of a great nation. It is in that light that we should express our opinions here.

I was interested in the statement by the hon. member for Regina City (Mr. McCusker) that he would like to support this idea but that the motion, in his opinion, constituted a want of confidence motion and, therefore, he would be unable to support it. One might ask when the members on the opposite side would ever be free to support any such motion. In fact, although I must be very cautious not to suggest any lack of independence in their thinking, one might almost

wonder just how that independence is to be expressed if they are to be unable to support any recommendation that has not been put before this house by the government itself. Certainly I would think some of them would welcome the opportunity to assert that independence which has been proclaimed so vigorously in this house by supporting a project of this nature, particularly when it has been stated by the hon. member who moved it that he is quite prepared that this should not be regarded as a want of confidence motion, but rather that he wants this considered as a motion that will permit a free expression of the members of this house that we want this important development in Saskatchewan to proceed as part of the development of Canada as a whole.

That course has been followed on other occasions. There have been occasions when ministers of the crown directly concerned with the subject matter of resolutions have said: We ask that this be regarded as a free vote.

I would ask the Minister of Agriculture (Mr. Gardiner), as the minister primarily responsible in this case, to inform the house that he asks that the vote be a free vote; and that although the government have not discussed this subject, nevertheless they have permitted him to indicate that this motion will not be regarded as a want of confidence motion. That would be very helpful to those who, like the hon. member for Regina, would wish to vote for it but feel restrained because, although they are completely independent, they nevertheless feel concerned about the fact that the vote might be misinterpreted if, by any chance, enough of them voted for the amendment to actually carry it on this occasion.

It would be a very healthy thing, Mr. Speaker, and it would bring fresh confidence to the people of Canada in the real independence of thought in this if, first of all, we had a statement by the right hon. Minister of Agriculture that this is a free vote; and then if we had an indication by the members that they are sufficiently free to support an amendment which has as its purpose the declaration of our common interest in Saskatchewan as well as every other part of Canada. Even if the Minister of Agriculture hesitates to give this assurance in view of the fact that he has not discussed the subject with the cabinet, nevertheless I would hope there would be some hon. members from Saskatchewan and other parts of Canada as well who would say—

Mr. Gardiner: If I may be permitted a correction, I have not moved anything in the house at all. It is not my motion that is before the house, and it is not my amendment that is before the house.

An hon. Member: Just your baby.

Mr. Drew: The right hon. Minister of Agriculture surely can be forgiven for thinking that it might be his motion because he has spoken about the subject so often; and because he has spoken about the subject so often, one would have thought he would have welcomed the opportunity to ask for the free support of a motion which interprets the view he has expressed over and over again in this house and outside of it.

This is not his motion, but I am suggesting that it is a motion that is entirely consistent with the view he has expressed, and that if he will only ask the government to listen to him for the first time in regard to this subject and then, after they have heard him, to give him the authority to call for a free vote, then with that encouragement we might actually get from the members of this house an expression of opinion in support of something that I believe the majority of the members of this house want and would like to vote for if they did not find, for one reason or another, that they were not prepared to declare their opinion at this time.

Mr. Diefenbaker: It will be a nice way to send a message to the government.

Mr. Drew: Since the Minister of Agriculture (Mr. Gardiner) has never carried this subject to the cabinet, it would be helpful if someone else did so; and this is one chance we will all get. I would hope that some of the hon. members will look at the situation in that light.

Mr. Gardiner: I have not said that I have not carried the subject to the cabinet. I said that the subject has not been discussed by the cabinet.

Mr. Drew: Am I to take it that the minister carried it to the cabinet and that they refused to discuss a subject which he brought there?

Mr. Gardiner: No.

Mr. Drew: I am discussing this matter in all seriousness. What the Minister of Agriculture has now said is that he did not say that it had not been carried to the cabinet. He only says that they have not discussed it. If those words mean anything at all, they mean that he carried it to the government and they would not listen to him. We have the chance to ask the government to listen to him on this occasion.

Mr. Gardiner: It has not been discussed.

Mr. Drew: The minister again repeats that it has not been discussed. Since he indicates that he has carried it to the government and that it has not been discussed, may I repeat that this is a chance for hon. members, by their vote, to carry this subject to the government and to help the minister to get this subject before the government in spite of their earlier refusal to listen to him.

Of course, Mr. Speaker, that is carrying the matter a little bit beyond what most of us would find easy to accept. Of course we must and do accept the minister's statement that it has not been discussed. But we thought the minister was one who usually insisted upon being heard. I think most of us will regret to learn that a minister who is so vigorous in his statements in this house is so unsuccessful in making himself heard in cabinet council.

Mr. Gardiner: I will be heard at the right time.

Mr. Diefenbaker: You will be heard yet.

Mr. Knowles: The silent member of the cabinet.

Mr. Hees: The silent partner.

Mr. Martin: Silence is golden.

Mr. Hees: It is a little bit tarnished in this case, though.

Mr. Drew: The question of course arises as to why it became necessary to have this commission. I hope hon. members will read this *Hansard* carefully. I also hope that *Hansard* records the words exactly as they were spoken on this occasion. I hope that we shall see in *Hansard* exactly what has been said here this afternoon, because some of the hon. members will undoubtedly have difficulty in understanding exactly what it was that the minister was trying to explain to us when he said that he was really satisfied with this report because of his belief that those who had been appointed were predisposed to find against it.

Mr. Gardiner: I did not say that.

Mr. Drew: Mr. Speaker, I think some of the hon. members of this house who have been interested in this subject for some time will wonder why men who were predisposed against it were chosen. Not that we would expect the government necessarily to poll them in advance as to what kind of finding they were going to make; but the minister's statement in regard to what he thought their views would be in advance raises some question as to whether the government, in supporting the appointment of these gentlemen to the commission—though they had never discussed the subject—were also under the impression that these commissioners were predisposed against this project.

Mr. Diefenbaker: That might explain why the commission was set up.

Mr. Drew: It may explain why the commission was set up. I think we have a great deal more to hear about this matter.

At the time the commission was set up suggestions were made that this was the reason it was appointed, namely that it was expected that the commission would find against it. At that time the hon. member for Lake Centre (Mr. Diefenbaker), who has moved the amendment we are now discussing, objected to the appointment of a commission on that ground, as did other members of this house; they objected because of the fact that they thought the commissioners were predisposed against it. That concern has been borne out by the report of the commission.

Mr. Gardiner: Mr. Speaker, the Leader of the Opposition has suggested that we ought to be clear on my position. If I am not clear from what is in *Hansard*—and I am quite sure that I am—may I say that my statement was to this effect. When the matter was referred to the commission my chief concern was whether or not you could build a dam at that location and make it stay there. Whether or not these men were favourable, if in their own opinion they had any preconceived ideas on it they might have been inclined to say: "Well, maybe you do not need a dam there." That would be my inclination, after having read through their report. But in spite of that being their opinion in the report itself, they have not said that a dam cannot be built on that site and made to stay there. As a matter of fact, the inference from the report is that a dam can be built there and can be made to stay there.

Mr. Drew: Mr. Speaker, I think it is quite definite that the report is clear on that subject, that the dam can be built there and will stay there. What we are concerned about is that we want to get it there.

Mr. Gardiner: That is right.

Mr. Drew: That is the purpose of the amendment now before the house. A great many members say that they want to get the dam there, which the report shows can stay there once it is constructed.

Mr. Gardiner: That is the most important feature.

Mr. Drew: I shall be greatly interested to see what *Hansard* says. While I do not

claim that I can quote his exact words, I will indeed be most surprised if the *Hansard* record does not show clearly that the Minister of Agriculture said that one of the reasons he was so pleased with the report of the commission was that although they were chosen with knowledge that they were predisposed against this project, they found it could be done. That was the statement to which I was referring in the remarks that I have just made.

This of course is not by any manner of means the first time this matter has been under consideration. The minister has read from an editorial in the Calgary *Albertan*. I therefore feel sure that he will not object to my referring to an editorial in the Regina *Leader-Post* which appeared on February 4 under the heading "Can't Swap Horses in Midstream."

Mr. Knowles: Horses again?

Mr. Hees: Horses again.

Mr. Drew: I hope the minister will not think that in this there is any suggestion other than the ordinary colloquial reference to the word "horse" in a statement of this kind.

Mr. Gardiner: They did not change any horses for ducks, anyway.

Mr. Diefenbaker: They are not on the payroll there yet.

Mr. Hees: It won't be long now.

Mr. Drew: No; the horses referred to in this editorial are not on the payroll. This editorial has this to say. In view of the minister's reference to the other editorial, I think it might be well to put this on the record:

> The Hogg commission is not the first one to investigate irrigation. In 1941, in order to obtain guidance for its rehabilitation program, the federal government established the Meek commission.
>
> It studied the St. Mary-Milk river project, and declared in its report the following year:
>
> "It has become a generally accepted principle that the total costs of an irrigation project of this magnitude should not be charged to the lands immediately benefited. To insure completion and successful operation of the project there must be governmental assistance. The development of the St. Mary and Milk rivers project would not only be of benefit locally and provincially but would we believe be to the general advantage of Canada."
>
> The Meek commission recommended that the federal government pay the costs of water storage as a non-recoverable contribution to the project. This subsequently became government policy with the passage of an order in council in 1947.
>
> The Hogg commission virtually brushed aside this finding of the Meek commission. It loaded all the irrigation and most of the water storage costs on the land and on the basis of the outlandish $250 million cost estimate declared each irrigation farm would represent an investment of $70,000. This was one of the grounds on which it rejected the project "for the present."
>
> Which was right, the Hogg commission or the Meek commission? Experience in every country where irrigation has been adopted on a large scale proves beyond doubt that the Meek commission was correct in declaring that the land alone cannot carry the full burden of costs. In fact, in the United States it is contended that the national benefits from irrigation are sufficiently great to justify the state paying 85 per cent of the costs—a much greater percentage than is envisaged under federal policy based on the Meek findings.
>
> If the federal government swaps horses in midstream, while its rehabilitation job in the west is only partially completed, by belatedly rejecting the Meek report and refashioning its policy on the Hogg report, it will be dealing most unfairly with Saskatchewan.

Without quoting the remainder of that editorial, I would simply point out that it does go on to urge that the government proceed with this project which has been so long under discussion.

The commission report on the South Saskatchewan river, which was presented to this house, makes a number of recommendations which are to be found on pages 6, 7 and 8, and which must be extremely hard for anyone to accept who has followed the course of these inquiries over the years by the engineers of the P.F.R.A., by the Meek commission and by others who have inquired into this subject.

The first recommendation deals with the question of the economic returns and says that they are not commensurate at present with the cost of the project, although the project would yield social returns which "while they cannot be measured for the purpose of this report, would be of great value to the region in which it is situated."

The second recommendation says that when the time comes that this project should be proceeded with, those who are making the decision should take these matters into account:

> (a) The prospect of adequate markets for the specialty crops such as sugar beets, canning vegetables, potatoes, etc., that would be grown on the area it is proposed to irrigate.
>
> (b) The Canadian demand for farm products which, when it comes more nearly into balance with production, would require a more intensive use of land resources;
>
> (c) A significant change in relationship of the price of farm products and construction costs;
>
> (d) The necessity for the construction of public works for the relief of unemployment.

These are things that are to be considered before this is to be proceeded with. If the government had waited for population on the prairies before it built the Canadian Pacific Railway there would not be a railway across

Canada yet. If the great hydroelectric development in Ontario had waited for customers, there would not be the largest publicly-owned project of this kind in the world today in that province. If in the case of railways built through the north lands of this country for development purposes they had waited for population, there would not yet be any population or any development in those areas.

In this country of ours, with all the immense opportunities that lie ahead, it is our duty to visualize what can come from developments of this kind and not expect the population to get there ahead of the project which is essential for their occupation of that land. If there is going to be population in this central Palliser triangle, then those people must be assured that they are going to have irrigation and power for the purposes of their daily lives in that area. The project must be assured. It must be proceeded with before the population will get there. The government certainly is putting the cart before the horse if it accepts those recommendations as the basis of the timing of this development.

The third recommendation of the commission was:

> The commission finds that the available data, which are by no means complete, indicate that the said project does not represent the most profitable and desirable use which can be made of the physical resources involved.

Why is the information not complete? If the information is not complete, why have we the report? Surely it is a subject that could be considered by competent engineers.

The fourth recommendation is:

> The commission recommends, in respect to No. 3 above, that further study be given to the merits of:
>
> (a) Irrigating the area that needs water most;
>
> (b) Bringing additional land under irrigation in the Saskatchewan river basin by pumping water direct from the river and from existing irrigation canals or extensions thereof;
>
> (c) The development known as the Red Deer river project, including its possible extension into the province of Saskatchewan.

The fifth recommendation is:

> The commission finds that the future demand for water for irrigation could be such as to exhaust the available flow of the South Saskatchewan river, and recommends, therefore, that without delay a comprehensive, long-range program be developed that would result, over the years, in the most beneficial use being made in the interests of the people of Canada of the waters of the Saskatchewan river from its head waters to the sea.

The sixth recommendation is:

> The commission finds that to implement a basin program, the conflict between the upstream consumptive use of the water for irrigation and its downstream use for generating power will have to be resolved.

The seventh recommendation of the commission is that requisite data be gathered by the appropriate governmental services, federal and provincial.

After all this inquiry and all these recommendations we have boxed the compass and we are back exactly to where we started. This commission, set up and carried forward at considerable expense to the people of Canada, recommends that the government make inquiries in consultation with the provinces, and presumably act on those inquiries.

Mr. Gardiner: That has all been done, as I said this afternoon.

Mr. Drew: That has been done? And the government has not heard about it?

Mr. Gardiner: Yes, the government has heard about it. We have got it nearly all done.

Mr. Drew: No, Mr. Speaker. I am afraid the minister misapprehends the recommendation. This recommendation is referring to the South Saskatchewan dam.

Mr. Gardiner: No. That is my criticism. That recommendation is referring to far more than that. All we thought we were referring to was the South Saskatchewan river dam, but they have covered the whole development of the North and South Saskatchewan river basins; and practically all the work that is recommended there, as I said this afternoon, is already under way. Not only have we the set-up, as the hon. member for Souris (Mr. Ross) knows. There has been a set-up ever since he was associated with it in Regina, gathering all this information from the provinces and from the federal authority. It is all on record in Regina.

Mr. Diefenbaker: The commission never got to see the record.

Mr. Gardiner: They could have seen it; I do not know whether they did or not.

Mr. Diefenbaker: That was concealed from the commission.

Mr. Gardiner: No; it was not concealed from the commission. It was all there before for them to look at if they wanted to look at it; and they went there and visited Regina and I presume they looked at it.

Mr. Diefenbaker: No, they did not look at it.

Mr. Gardiner: They do not say that.

Mr. Drew: The report is very clearly written. In the eighth recommendation the commission recommends certain consideration

in regard to other developments which are set out. Then there is a ninth recommendation and a tenth recommendation which relate to subjects the Minister of Agriculture (Mr. Gardiner) felt, I gather, were really outside the scope of the original matter; and that, I believe, is in accordance with the opinion of many hon. members.

One of the difficulties one faces in connection with this matter is that on the one hand the minister says, "We have done all these things" and on the other hand he says that this has not been discussed with the government.

Mr. Gardiner: No, not those things. Those matters have all been discussed with the government and passed upon, and they are part of government policy. The matter of the building of the dam has not been discussed by the government.

Mr. Diefenbaker: Oh, that is it.

Mr. Hees: Why is the government not interested?

Mr. Gardiner: They are interested.

Mr. Drew: Well, the reference to this commission was to inquire into the South Saskatchewan river project. The recommendations to which I have been referring are the recommendations of that commission, which had those instructions; and we now have their recommendations before us.

The commission also makes it clear that there are considerable social advantages connected with the plan. Anyone who has visited the area must know the extent of those advantages. He would know about the abandoned homes and the abandoned school houses in the area. He would know also about the experimental developments that have taken place, and of the demonstration near Outlook which is there for anyone to see, which shows what can be done if that soil is properly irrigated. The minister referred to that, in fact, this afternoon. There is no question but that the soil is rich and fertile, if irrigation can be carried to it.

This commission report does not find that the water cannot be carried there. It does present difficulties. It indicates certain considerations that should be kept in mind. Undoubtedly those considerations should be kept in mind by the engineers of the government. But this report does confirm that the dam can be built at the Coteau creek site. It does confirm that the water is available for purposes of power and irrigation. It does confirm that it is a practical engineering project.

The objections are based very considerably upon the estimated cost, more than twice the amount of the estimates set out in the engineering findings under P.F.R.A. who, basing their findings on 1950 costs, estimated that the whole project would cost about $103,700,000. That would be divided between the dominion and provincial governments. The government of Saskatchewan has stated publicly that it is prepared to accept its share of the cost.

When the evidence is clear that this heartland of Saskatchewan can be improved in this way; when the evidence is clear that an area which has suffered so greatly from drought and the social consequences of drought can be returned to a productive condition; when the evidence is clear that the soil can become perhaps more arable than it has ever been before; and when the reports before us demonstrate that profitable crops can be raised in the area if irrigation and power were made available at the site, then I submit that with the findings of the competent engineers of P.F.R.A. and the findings of other engineers available to us, and with the recommendation of the engineers employed by the government on other occasions, it is appropriate that the members of this House of Commons give a clear declaration of their belief that the government should now say that this project will be proceeded with and that the irrigation and electrical developments will be undertaken so they may bring a new vitality, a new prosperity, a new hope and new population to the people living in that central part of the great Palliser triangle.

Not only are there social and economic consequences, but there is also to be considered the very direct effect this will have upon the people of Saskatchewan generally. It is only natural that people who have been encouraged for so long to believe that this project was going to be undertaken are now discouraged and disheartened by the apparent acceptance of the negative findings of this commission, which was set up with the knowledge that those who were being appointed were predisposed against this dam project.

This project is vital to the heart of Saskatchewan. This project is sound from the engineering point of view; it is sound from the social point of view; it is sound from the national point of view. The only question that could be asked is this: Is it economically sound? The P.F.R.A. engineers and other engineers report that it is. Without making adequate inquiry themselves, the recent commission have given figures which

are so highly inflated as to be discredited by anyone who has had earlier contact with the subject.

Let us remember that with the unanimous support of hon. members of the House of Commons steps have been taken from time to time to meet situations arising from unsatisfactory conditions in that area. As the minister has pointed out, the area has suffered great hardship. The government has been called upon to spend money to assist the people there. It would be far better if the money were spent on the productive enterprise that is now before us. The amendment before hon. members gives them an opportunity to support an expression of that kind. I would hope that, first of all, after due consideration the minister would inform members of the house, as ministers have on other occasions, that as has been suggested by the opposition, they are free to vote in support of the motion without its being regarded as a want of confidence vote. Then, with that freedom to vote as they wish I would hope that hon. members from every part of Canada, from Newfoundland to British Columbia, would say by their vote: As part of a great national reclamation and conservation project, we want this development proceeded with right away.

Mr. Bater: 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. A. J. Bater (The Battlefords): Mr. Speaker, I do not intend tonight to take up much of the time of the house in participating in this debate. At the outset I should like to say that my conscience is quite clear in voting against the amendment and the subamendment now before the house. When we come to the estimates of the Department of Agriculture and deal with the item having to do with the South Saskatchewan project, I shall support that item.

I have noticed during the debate that hon. members have gone back many years in the course of their speeches. Some went back to the days of confederation in 1867, some went back to 1916, some referred to the thirties. I could say considerable about the thirties, but I think that period has been pretty well covered. I think the people of Canada are fairly familiar with what happened in the western provinces during the thirties, so I shall refrain from going into that again.

Tonight I intend to go back only to 1951, and for this reason. On July 15, 1951, I started out by motor from my farm. I headed south on No. 4 highway and passed through the towns of Biggar and Rosetown. Finally we reached Swift Current, where we turned to journey west on No. 1 highway. That evening we stopped at the town of Taber in the province of Alberta. I mention this because on arriving there I had my first opportunity of seeing just what irrigation could do. I understand that at that time, because of the rainfall they had been having, it had not been found necessary to use the facilities available, but I could see the facilities that were there if required. I saw sugar beets growing and some splendid grain crops. Unfortunately, about two hours before we arrived in Taber a streak of hail had gone through that country and we saw the effect on those beautiful crops.

The following morning we arrived in Lethbridge where we found great commotion because that afternoon the St. Mary river dam was to be officially opened. Lethbridge was buzzing with people and cars. After lunch I journeyed with many thousands of people down to the site of the dam some 40 miles south of Lethbridge, and had a chance to have a good look at the project.

The official opening was under the chairmanship of our great roving reporter, Mr. John Fisher. The proceedings got under way and, if I remember correctly, the first speech we heard as we looked out toward the Rocky mountains was by the master of ceremonies, Mr. Fisher. He was followed by the premier of Alberta. Then at the appropriate moment the one who was to officially open the dam came into the picture. I should like to quote the words of the right hon. Minister of Agriculture (Mr. Gardiner) at the time he officially opened that dam. When he put his hands on the lever in the control tower of the irrigation works and released the water from the reservoir into the main canal on its way to the land in the area, he said:

> It gives me great pleasure to turn the waters, from the first nationally-constructed large reservoir, upon the fertile lands of southern Alberta. I consider the inauguration of this policy as the outstanding and most helpful achievement of my period as Minister of Agriculture for Canada over fifteen years. I trust it is only the beginning of a development which will multiply Canadian homes in the west.

The next day it was my privilege to sit in at the annual meeting of the western Canada reclamation association being held in Lethbridge. In the afternoon I was called upon by the chairman to say a few words, and I should like to repeat a few of the things I said on that occasion. One thing

was quite conspicuous at that meeting; that was the absence of any representatives of one of the western provinces.

I said on that occasion, and I repeat it tonight, that we as members of parliament, when discussing these large projects, should try to look at them and consider them on a high plane. We should look at them from the broad national viewpoint instead of a narrow provincial viewpoint.

On our way back we were discussing the South Saskatchewan project. I think that project should be proceeded with for two reasons. If proceeded with it would create a lake 140 miles long in the centre of the Palliser triangle and would irrigate some 125,000 or 130,000 acres by gravity alone. I think those two reasons are sufficient, as far as I am concerned, for making a start on this project. I should like to read a short passage from the report, and I quote from page 10 as follows:

> The Importance of the Prairies to Canada's Economy
>
> 7. The commercial attributes of agricultural expansion in western Canada have been defined with great lucidity by Professor Fowke in his historical review of the economic development of the prairie provinces, prepared for the commission. (Part II, chapter 3)
>
> Western agricultural expansion, (he wrote), led to eastern urbanization, to the growth and prosperity of commercial and industrial centres. To equip and service the agricultural frontier there was necessarily a tremendous increase in the manufacturing, merchandising and transportation facilities of the country. The frontier farmer is typically a trader. He sells much and buys more, financing the difference by the accumulation of debt. Westward over the continental trade routes, over rivers and increasingly over railways, there moved the manufactured products of eastern cities. Eastward in return there moved the products of the expanding agricultural areas, cereals, livestock and livestock products. The national income and the national revenues multiplied, partly as a direct result of increased agricultural production but more particularly because of the commercial and industrial employments which followed inevitably in the wake of agricultural immigration and settlement.

I mentioned that we should try to keep this on a high plane, and that is just what I intend to do myself. However, I am rather concerned about some of the alternative schemes that may be mentioned. Mention has been made of the North Saskatchewan river. It has been brought into the picture of the South Saskatchewan dam. It is quite noticeable that there are two cities in the southern part of Saskatchewan that are not situated on the banks of a river, and they are having, and have had for a long period of time, a great water shortage. I refer to the cities of Regina and Moose Jaw. On the North Saskatchewan river there are three cities that are developing at a great pace at the present time, the cities of Edmonton, North Battleford and Prince Albert.

So far as bringing water from the North Saskatchewan down to the South Saskatchewan is concerned, may I suggest that this might be a case of robbing Peter to pay Paul. I can tell hon. members from actual experience and knowledge that the provincial department of highways has had great trouble in operating ferries across the North Saskatchewan river during the past five or ten years. Many ferries have been abandoned for no other reason than that during many weeks in the summer and fall there is not sufficient water for them to ply back and forth across the river. They are flat-bottomed ferries, but even so many of them have had to be removed from service and abandoned.

That is one of the reasons the people of the Lloydminster district and in the area across the river north of Lloydminster, where rail facilities are sorely needed, are in dire need of a bridge on the meridian line immediately north of Lloydminster. The fact is that on many occasions when you go down to the ferry you will see a sign as you approach reading "No crossing", and you take it for granted that the water is low.

I know there are others who intend to speak in this debate, but there is one other point I should like to mention. It is suggested that the pumping of water for irrigation would be a cost against the project. Water now being wasted would be used to generate electricity for pumping, so it could not be counted a cost. Is the commission's ratio of values fair, based as it is on land values and commodity prices of the past against costs of construction of today? May I suggest that the ratio has remained the same for the reason that as costs have advanced so have commodity prices and land values.

In conclusion, while many figures have been quoted in the report of the commission and by others with respect to the South Saskatchewan project, I understand that figures submitted by engineers and others engaged in the construction of such projects indicate that the estimated cost of the construction of the dam, which is the federal government's responsibility, would be in the neighbourhood of $68 to $84 million. In view of these figures—and even suppose the cost should reach $100 million—I would say that if money can be made available for the St. Lawrence seaway then money can be made available for this project, because both will be beneficial to the Canadian economy. We have the tools. Let us get on with the job.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, this debate may well be more important than many hon. members realize. If the results of the next election are close, the Saskatchewan constituencies which are affected by this project may decide whether the government wins or loses. In my opinion the speech of the Minister of Agriculture (Mr. Gardiner) this afternoon was disappointing. One fact did seem to emerge, that for this session at least the South Saskatchewan river project is a dead issue.

During the debate so far I have been rather surprised at the attitude of my friends from Saskatchewan who are members of the Liberal party. One member after another, including the hon. member for The Battlefords (Mr. Bater), who has just spoken, the hon. member for Regina City (Mr. McCusker) and others, has stated that he favours building this dam. If that is so, I cannot understand why they are not prepared to let their votes follow their voices.

The amendment moved by the hon. member for Lake Centre (Mr. Diefenbaker) is very clear. It reads as follows:

> This house regrets that in the estimates presented to this house no provision has been made for immediately proceeding with the construction of the South Saskatchewan river dam.

No one can take objection to that amendment. It is a simple one, and I challenge members of the Liberal party from my home province to vote as their consciences tell them. On this issue members from Saskatchewan should be just as unanimous as are the people of Saskatchewan. I do not think this is the time for technicalities. I do not think this is the time for fence sitting. Therefore when the vote does come, I appeal to them to support the amendment.

This afternoon the Minister of Agriculture made the rather amazing statement that the cabinet had not yet discussed this issue. If that is so, I respectfully suggest that he bring it before them immediately. If they are not prepared to take a sympathetic viewpoint, then I suggest that he should join the hon. member for Quebec South (Mr. Power) and resign from the cabinet.

I should like to say a few words to eastern and maritime members. I was pleased to notice this afternoon that a Toronto member, the hon. member for Broadview (Mr. Hees), supported this project as did the Leader of the Opposition (Mr. Drew). It is a project which is national in character. I am afraid that some hon. members like the hon. member for Sudbury (Mr. Gauthier) have an idea that the project is just another handout for Saskatchewan. I think that is what he termed it at dinner time today.

It is anything but another handout. It is not a government expense. This project is a capital investment, and it is self-liquidating. Over the years it will save this country millions of dollars in relief costs. It will result in the production of millions of dollars worth of additional crops and a great deal of revenue from hydro power. Therefore I appeal to hon. members from other parts of the country to recognize that it is a national project. As has been pointed out, we from Saskatchewan have supported such projects for the maritimes as the Canso causeway and dikes for New Brunswick. In central Canada we have supported the St. Lawrence seaway, in Alberta several dam projects, and so on. Today we are asking for the same kind of consideration for Saskatchewan.

It is quite true that in recent years our province has been relatively prosperous. It is quite true that moisture conditions have been good, but the house must be aware of the fact that another drought can come at any time. As a matter of fact we have had so many good years that, if we can judge from history, another dry period could arrive in 1953. I lived through the last such period and I can say that for several years there was not a blade of grass in the whole province. I saw crops wither and die. I saw thousands of cattle slaughtered or moved out of the province. Dust storms in those days were so severe you could not see across the street. I recall driving a car on many occasions and hardly being able to see the end of the engine for dust. I remember that my home city of Moose Jaw had the water turned off twelve hours a day for about six months in order to conserve water supplies. Our local packing plant had to close down because it could not get water. In the year 1937 about one-half of all the people in Saskatchewan were receiving government aid of one kind or another.

These were the conditions not very many years ago. As a matter of fact you can still find empty houses, schools and ghost towns which are a kind of memorial to the exodus of the people who lived in those areas.

Citizens of Saskatchewan fear that another such period may come along. We do not think that is necessary, because one of the mightiest of all Canadian rivers flows unused right through the heart of the dust bowl and on to Hudson bay. If the government would proceed with this dam the economy of the province could be transformed.

I remind hon. members that many of the so-called backward countries, Spain, India, China and Egypt, have already embarked on far larger projects than the one contemplated on the South Saskatchewan river. Surely

then a modern nation like Canada can afford to water our burning plains. I remind hon. members too that since I have come to Ottawa I have seen parliament vote millions and millions of dollars to Britain, Belgium, Ceylon, Holland, Pakistan and other countries. I supported those gifts and I think they were needed; but if our country and this parliament can be so generous to other nations surely it can be equally generous with such a much needed project here at home.

I think the Hogg commission found no major weaknesses in this South Saskatchewan proposal. It did contend that the returns would not be commensurate with the cost. It contended that this dam would cost about $250 million; but the P.F.R.A. a year ago estimated that it would cost only $105 million. For myself, I prefer to take the P.F.R.A. figure. I would point out that the commission used cost figures which were prepared by a Calgary contractor who based his data on the findings of a United States firm called the Morrison-Knudsen Company. According to *Engineering News Records* of last January, this is the same company which recently submitted a bid of $7 million on a South Dakota project. The Morrison-Knudsen Company bid there was the highest of twelve competitive bids, almost twice the $3·7 million of the successful tenderer. If the company is as wrong on this project as it was on the South Dakota one, I think the P.F.R.A. figure is likely to be a lot closer.

Water is so valuable on the prairies that we cannot afford to let it go to waste any longer. I would join with other hon. members in urging the government at this time to override the recommendations of the commission and start building the dam this year.

Some hon. Members: Question.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I intend to say a few words on the amendment to the amendment moved by the hon. member for Melfort (Mr. Wright) and also to speak to the speech made this afternoon by the Minister of Agriculture (Mr. Gardiner).

I am sure we in the house are glad that the Prime Minister (Mr. St. Laurent) is present, because the Minister of Agriculture told us this afternoon that this question which has been before the people of Saskatchewan and western Canada for many years, and the report that has been made by the royal commission, have not yet been brought to the attention of the cabinet. I feel—

[Mr. Thatcher.]

Mr. Gardiner: I did not go that far.

Mr. Diefenbaker: I beg your pardon?

Mr. Gardiner: I did not say that it had not been brought to the attention of the government. I said it was not discussed—

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: The Minister of Agriculture is spending the evening trying to get himself out of his loose talk.

Mr. Gardiner: I am spending the evening trying to straighten out my hon. friend from Lake Centre (Mr. Diefenbaker).

Mr. Fulton: Have you been changing *Hansard* too?

Mr. Gardiner: I haven't changed a word. It is just the same as I said it this afternoon, but it is not as my friend from Lake Centre says it is.

Mr. Diefenbaker: You see, Mr. Speaker, every time one asks a question of the Minister of Agriculture the answer—

Mr. Gardiner: You are not asking questions, you are making a statement.

Mr. Diefenbaker: I asked some questions this afternoon and I received some information which I very much appreciate; and I know that the people of Saskatchewan will appreciate it when they learn of the answers. In the past I have found that the Minister of Agriculture could be described in the words once used by Lloyd George when referring to de Valera: It is as hard to pin him down to any answer as it is to pick up mercury with a fork.

This afternoon the minister made the statement—and if he says he did not he can explain it afterwards—that this report had as yet not been brought to the attention of the government.

Mr. McCann: He did not say anything of the kind.

Mr. Diefenbaker: Here is a mind reader. He was not here this afternoon.

Mr. McCann: I was here.

Mr. Diefenbaker: He was not.

Mr. McCann: I was here all afternoon.

Mr. Diefenbaker: No, he was not.

Mr. McCann: I was here all afternoon.

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: If my hon. friend would devote himself to television and not worry about—

Mr. McCann: I would hate to have your picture on it.

Mr. Diefenbaker: You see, Mr. Speaker, how difficult it is. The mind reader who is in charge of the C.B.C. was not here this afternoon.

Some hon. Members: Yes, he was.

Mr. Diefenbaker: Now, Mr. Speaker,—

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: When I say that, I say that he was not here while the Minister of Agriculture was speaking.

Mr. McCann: I was here and I heard his very words.

Mr. Diefenbaker: Mr. Speaker—

Mr. Deputy Speaker: The hon. member must accept the minister's statement and he must not argue. How can hon. members argue about a declaration made by the minister or any member of the house who says that upon his honour he was in the chamber when another minister spoke? The citation I think is citation 240 or 241, which says when a member makes a statement which is peculiarly within his knowledge it must be accepted. Therefore the hon. member must accept the statement made by the minister.

Mr. Diefenbaker: It is particularly within my knowledge, having taken down a record of the cabinet ministers who were here.

Mr. Harkness: There was not one cabinet minister here at one time.

Mr. Deputy Speaker: Order. I will have to ask the hon. member not to doubt the word of the minister; because, as he knows, this subject is not new. The statement made by the minister must be accepted.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Citation 240, page 103, Beauchesne's third edition, reads:

> It has been formally ruled by Speakers in the Canadian commons that a statement by an hon. member respecting himself and peculiarly within his own knowledge must be accepted, . . .

Citation 241 is also clear on the point.

Mr. Diefenbaker: Mr. Speaker, all I can say in view of your ruling is that I was present here—

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: I am not going to withdraw, Mr. Speaker.

Mr. Deputy Speaker: I would like to bring it to the attention of the hon. member that this is not a matter for argument. The Minister of National Revenue (Mr. McCann) did not make a speech this afternoon. It is merely a matter of attesting whether or not he was here. According to the citations I have mentioned, if the Minister of National Revenue says he was present during the time the Minister of Agriculture made his speech, even if the hon. member does not believe the statement he must accept it. The decision I am making is in accordance with the rules, and it is not debatable.

Mr. McCann: Mr. Speaker,—

Mr. Fulton: On a point of order—

Mr. Deputy Speaker: I cannot listen to two members at one time. The Minister of National Revenue wishes to explain his position.

Mr. McCann: Mr. Speaker, on my word of honour I was here during all of the time the Minister of Agriculture spoke; here in the chamber.

Mr. Harkness: It must have been done with mirrors.

Mr. Diefenbaker: There is no question about that, Mr. Speaker. But at the time the questions were asked of the Minister of Agriculture—and that is the time to which I made reference—

An hon. Member: The Minister of National Revenue was not here.

Mr. McCann: I was here; and you won't say that outside.

Mr. Deputy Speaker: Order.

An hon. Member: A great big prize fighter. Well, well.

Mr. Deputy Speaker: Order. I do not think hon. members should present the picture that is now being presented in this house.

An hon. Member: It should be on television.

Mr. Deputy Speaker: I think decorum is one thing all hon. members like to preserve. We are not going to make much progress if we are going to keep on arguing whether or not a certain member was here in the chamber when he has said that he was here. The hon. member may continue, but I would ask him not to refer to this matter.

Mr. Fulton: I rise to a point of order. Your Honour, I concede, is perfectly correct when you say that an hon. member must accept the statement made by another hon. member as to facts within the knowledge of that hon. member. But I submit, Mr. Speaker, that you are going beyond what is contained in that rule when you say that an hon. member cannot suggest that the facts with reference to which the Minister of National Revenue (Mr. McCann) made his statement were not the facts which were in the mind of the hon.

member for Lake Centre (Mr. Diefenbaker) when he made his statement that the minister was not here. Therefore if Your Honour refuses to allow the hon. member for Lake Centre to state the occasion to which he was referring you are, I submit, doing a great injustice to the hon. member who first spoke, and are going far beyond the rule to which Your Honour has referred.

To anyone listening to his speech, it appears that the hon. member for Lake Centre has made statements with reference to the presence of the Minister of National Revenue at a time when certain questions were directed to the Minister of Agriculture. It also appears obvious that the Minister of National Revenue has made a statement with respect to another occasion.

Mr. McCann: Not at all.

Mr. Fulton: I submit that it is perfectly within the rights of the hon. member for Lake Centre to make clear the occasion to which he was referring and to continue discussion of that matter in an orderly fashion.

An hon. Member: You are all mixed up.

Mr. Fulton: If Your Honour refuses to allow the hon. member for Lake Centre to further refer to the matter at all, then I submit that it is an application of the rules which is not apt under the circumstances.

Mr. Deputy Speaker: I am quite prepared to listen to the hon. member for Lake Centre —I thought that was what I had done—if he wants to say exactly to what speech of the Minister of Agriculture he is referring, whether it is the speech that was made this afternoon. Apparently that is the one we are concerned about. If the hon. member for Lake Centre is referring to a speech made by the Minister of Agriculture a few days ago it may be a different proposition.

Mr. Diefenbaker: No.

Mr. Deputy Speaker: If the reference is to the one made this afternoon, and if the Minister of National Revenue says he was here, it seems to me that the hon. member for Lake Centre must accept the statement.

In reply to an implication which I rather gathered was contained in the remarks made by the hon. member for Kamloops (Mr. Fulton), may I say that there is nothing at issue as to the references which the hon. member for Lake Centre might make to the understanding of the Minister of National Revenue of the answer of the Minister of Agriculture. He can talk about that. He can criticize the interpretation, or question whether the Minister of National Revenue heard correctly. He can contradict that. But what he cannot contradict or what he must accept is the statement made by the Minister of National Revenue that he was here during the time the Minister of Agriculture spoke this afternoon.

Mr. Diefenbaker: Mr. Speaker, there is no reason at all for us to be in disagreement about this matter. The Minister of National Revenue says he was in the house when the Minister of Agriculture was making his speech—

Mr. McCann: That is right.

Mr. Diefenbaker: —and I have no argument about that. What I am talking about is the occasion when the questioning took place with regard to the Minister of Agriculture, and when the Leader of the Opposition (Mr. Drew) was speaking, in the course of which the minister was not in his seat in the house.

Mr. McCann: The hon. member did not say that.

Mr. Diefenbaker: Wait a minute.

Mr. McCann: The hon. member said I was not in the house.

Mr. Diefenbaker: Let us clear the matter up. Will the minister state where he was?

Mr. McCann: I said I was in the chamber all the time during which the Minister of Agriculture was speaking, that I spent my afternoon in the house. I was here when he started and when he finished; and on one occasion I was behind the curtain. A gentleman wanted to see me. I was here during all of his speech.

Mr. Diefenbaker: Mr. Speaker, does that not indicate exactly the foundation for the statement I made?

Mr. McCann: Not at all.

Mr. Diefenbaker: I have not television and I cannot see my hon. friend when he is behind the curtain while at the same time saying that he is in the house. That is exactly the point.

Mr. Riley: The hon. member backs out gracefully.

Mr. McCann: There is no disagreement; go ahead.

Mr. Diefenbaker: We are all in agreement. The minister was here, but he was behind the curtain and I did not know he was there.

Mr. Riley: Don't spoil your retreat.

Mr. Diefenbaker: Mr. Speaker, I hope that clears up this situation.

I was dealing particularly with the speech of the Minister of Agriculture this afternoon.

As he reviewed the history of this project throughout the years he said, among other things, that never had he promised to proceed with this project. I have before me the report of a speech made by him on June 23, 1949, as contained in the Regina *Leader-Post*. In the report of this speech delivered at Lemberg on that date—which Your Honour will remember was a few days before the election—the following appears:

> The South Saskatchewan project would provide power and encourage building of industries in small towns, provide an incentive for young people to stay in this province. "I think we have made a fairly good start now," said Mr. Gardiner; "send us back to complete the job."

Since that promise was given, what has been done to finish the job? In 1948 the question arose in the house as to the need of money for the purpose of proceeding with the investigation into the feasibility of the project. In 1949 the matter came before the house following the election of that year, and at page 772 of *Hansard* the following appears:

> If the South Saskatchewan river project was built under conditions that existed some three or four years ago it would cost in the neighbourhood of $60 million.

That is the Minister of Agriculture speaking. Then:

> Mr. Wright: What would it cost today?
>
> Mr. Gardiner: If it had to be built under conditions as they are today that amount would be increased by perhaps $10 million or maybe a little more. But it would be absolutely impossible to construct the South Saskatchewan river project in less than ten years. The total expenditure required would be averaged out over that period of time at somewhere between $6 million and $8 million per year.

Then again, a little later on, at page 773—

Mr. Gardiner: That is at the time my friends over here were accusing me of not going to build it at all.

Mr. Diefenbaker: Yes; that is correct. As reported at page 773 of *Hansard* the minister said:

> Members of the committee and of the house asked the same questions then—

That is when the estimates were up for consideration.

> —as are being asked now and tried to force the government to take the position that we were going to proceed with construction. We said that it was necessary to spend another $2 million before we could make a definite decision on the question whether we should proceed with construction.

That promise was unqualified. Parliament voted that money. It was expended. This was in October, 1949. The expenditure was made and the P.F.R.A. engineers determined the feasibility of this project; and from then on every type of roadblock has been thrown in the way of the project.

Then in 1951 the matter came up for consideration again. It came before the house, and at that time there were some references to the promises that had been made and in particular to the promises made in the Rosthern by-election, which goes back to 1948. On October 22, 1948, Mr. Tucker, who is now leader of the Liberal party in Saskatchewan, spoke on this subject and said:

> He added, "You certainly won't get anywhere by sending C.C.F.ers to Ottawa: the election of Makaroff would be tantamount to repudiation of the great scheme."

Mr. Makaroff was a C.C.F. candidate. I continue:

> "We have now reached the stage where public opinion will have to be mobilized behind the project to help obtain the passage through parliament of the necessary funds." Mr. Tucker continued, "it is imperative for the people of Rosthern to send Mr. Boucher to Ottawa to help Mr. Gardiner in his fight for it."

Mr. Harkness: No politics in it.

Mr. Diefenbaker: Well, I have heard nothing from Mr. Boucher on that subject lately. He was sent down here for the purpose of showing parliament that this scheme had to be proceeded with. Then came 1951, and in giving his support to this proposition the Minister of Agriculture (Mr. Gardiner) said at page 938 of *Hansard*:

> I was convinced before we started that we ought to find something that would be absolutely satisfactory. I have been trying to find it for the past sixteen years, and personally I am satisfied it has been found. But I am quite sure that every member of this house would agree that when it comes to proposing to spend $68 million out of the treasury of Canada we should at least ask three men who are experts to examine the records upon which I have based my opinion, and upon which others have based theirs, and to say whether or not they agree with it.

When the commission was set up, its purpose was to examine the reports and ascertain whether or not the engineers and the officials of P.F.R.A. had come to a proper decision. Is there any word in the English language, Mr. Speaker, that will describe what actually happened? With a commission set up for the purpose of examining what had or had not been done by the officials of P.F.R.A. over the years, we have something that is almost impossible to understand. As I remember it the Prime Minister (Mr. St. Laurent) said the other day the reason we did not have the P.F.R.A. officials appear before the commission was that these men were government officials and they did not want to place them in a position of having to make recommendations to the government as to what should be done.

Mr. St. Laurent: If the hon. member would permit me; I am sure he wants to be fair, and that is not all I said. I said that the

commissioners had available to them all the information that had been gathered by the P.F.R.A. officials; that what we wanted from the commissioners was further information and not opinions of our own officials and that we did not think it would be proper to have them go and express their opinions when we were asking this commission to give us further information and to give us their opinions so that we might form our own.

Mr. Diefenbaker: Well, Mr. Speaker, the Prime Minister has set out what he said on that occasion in summary form. In view of the fact that he is here on this occasion I should like him to answer this question. In view of the fact that we in western Canada and in the province of Saskatchewan are united in regard to the feasibility of this project and the necessity of going ahead with it, may I bring to his attention the demand of the people in western Canada in that regard and ask him now whether or not, having regard to the report which has been before us, he intends through his government and with his government to give us that which we ask for?

Mr. St. Laurent: The house is not in committee, Mr. Speaker, and it is quite irregular to ask questions; but I would not like to have the hon. gentleman go out and say that he had asked me a question and I failed to answer him. If the house will give me unanimous consent to answer I shall be glad to do so.

Some hon. Members: You have it.

Mr. St. Laurent: The government is not prepared to go ahead, without further information, to recommend to parliament the expenditure of the amounts estimated by the commissioners, and will not take it upon itself to do that until it has further information.

Mr. Diefenbaker: What is the further information?

Mr. St. Laurent: The further information is as to whether or not this is the best use to be made of that great national asset. Personally I think that it is a good use to be made of it, and if I can be convinced to the extent where I can honestly say that I believe it to be the best, I will recommend to my colleagues to make the recommendation to parliament. But I want to be sure that if this asset is used in this way it will not be apparent shortly afterward that there was a better use to which it should have been put.

Mr. Diefenbaker: What proof is required for that?

[Mr. St. Laurent.]

Mr. St. Laurent: Well, the commissioners say there has not yet been sufficient investigation to enable them to say that this is the best use. I do not know of any better use. But they suggest—and they are experts, I am not—that that further information is required to reach a positive opinion as to whether or not that is the best use. I think it would be a good use. I am not frightened at the cost. We anticipated that in the years 1952 and 1953 the cost would necessarily be higher than what had been estimated a few years ago. And the part of the cost that would be an expense to the federal treasury is nothing of the order of $250 million. The $250 million is made up of some elements which would not be at the expense of the federal treasury. Nevertheless the project is one of great magnitude, and it is one that will have to be accepted by the whole of Canada as a good, reasonable project to undertake. Had there not been the suggestion in the report that it was quite possible there might be a better use to be made of that great national asset I would have continued in the opinion that the creation of that body of water in the province of Saskatchewan would be a magnificent thing, and that the indirect, not the direct returns—the direct returns you cannot calculate mathematically —would be a permanent addition to the capital value of this great country of ours.

Mr. Diefenbaker: We are making advances as we proceed, Mr. Speaker. That is a long way farther than the Prime Minister or anyone connected with the government has gone previously; and before I deal with what he had to say—

Mr. St. Laurent: That, Mr. Speaker, is not quite fair. I made that statement in the province of Saskatchewan in 1949, before the dissolution of parliament.

Mr. Diefenbaker: Yes, Mr. Speaker; the Prime Minister spoke in Saskatoon in 1949, and in every sentence he uttered he gave complete approval to the proposition and left the indication with the people of Saskatchewan that if his party were returned the project would be proceeded with.

Mr. St. Laurent: No; that is quite wrong. I will not at this time, any more than I did at that time, make representations that I do not firmly believe in.

Mr. Diefenbaker: I say that the Prime Minister in 1949 offered only one veto, and that was the fear that Saskatoon would suffer what happened to Sodom and Gomorrah, the only difference being that in one case it was going to be by water and in the other case by fire. In 1949 the Prime Minister left the

impression—and every Liberal candidate in Saskatchewan was pledged and pledged the government—that this proposition would be gone ahead with.

Finally, after the election was over, the procrastination commenced. First they set up the water board. They did not know whether or not the water could be properly allocated as between the provinces. Having set up the water board, the next point raised was that the responsibility for irrigation should rest on the province. The attitude of the government was that as far as irrigation was concerned that responsibility would have to be accepted by the province of Saskatchewan. The province of Saskatchewan accepted that responsibility.

The next escape hatch was to set up a royal commission. When, over and over again, I asked in the house whether, if the royal commission report was favourable, the work would be proceeded with, the answer invariably was the same, that no such binding undertaking would be given. I could quote repetitious cases over and over again of statements in that regard.

And now we come to 1953. After the royal commission has sat for over a year, and we are unable to have any kind of assurance, there is to be some other investigation. First it was going to be proceeded with, we were told, in 1948, provided the feasibility were determined by P.F.R.A. They determined that.

Only a few moments ago the Prime Minister (Mr. St. Laurent) said I had misquoted what he had said regarding the use of officials of P.F.R.A. I made the statement that the Prime Minister left the impression by his answer and actually said, in effect, that the reason these P.F.R.A. officials were not before the royal commission, and their report examined by the royal commission, was because of the danger that they, being civil servants, would be in the position of advising the government, of which they are the servants.

Well, I was not very far out in my interpretation of the answer given by the Prime Minister as it appears at page 1399 of *Hansard* for January 28, 1953, where the Prime Minister said:

> This commission was established to get information which the government did not already have and to make recommendations to it. As the commissioners had access to all the records and technical advice of the P.F.R.A., it was not necessary for them to have formal appearances by federal officials at public hearings. The government shared this view and gave this opinion to the officials of the P.F.R.A.
>
> In reaching that conclusion, the government had in mind the fact that it would not be fair to place civil servants in a false position by requiring them to appear publicly and express opinions on matters on which the Minister of Agriculture and the government as a whole had subsequently to reach decisions.

And that is exactly, in effect, what I said a while ago.

Mr. St. Laurent: It is in effect what the hon. member said. But it is not in effect the whole of what I said.

Mr. Diefenbaker: I have read every part of the discussion relative to civil servants in the answer the Prime Minister gave on that occasion. I, for one, for the life of me cannot understand why, over and over again, as we approach each election—1945, 1949 and 1953—we always find ourselves in the position of having this project just around the corner. Surely there is enough information for the government as to the feasibility. The location of the dam was finally determined in 1949 or 1950. Those of us in the province of Saskatchewan know what great benefits would flow from this development. Throughout the years we have given support to people in other parts of Canada in connection with projects national in scope that, through the years, will shape a prosperity hitherto not known, and will pay dividends in national development the like of which today we can only envisage.

We want this done. We want this work proceeded with. We have been promised it through the years. It has been dangled at each election as a bait, and after each election it has been withdrawn by postponement, by procrastination, by roadblocks and other interference.

This afternoon the Minister of Agriculture (Mr. Gardiner) used words that can only be interpreted to mean that the cabinet has not yet made any decision, as the matter has not been presented to them. I say that surely, after all these years, the cabinet knows and envisages the situation as it is. I think the time has come to take drastic action. In 1949, in order to demand their rights, the farmers of western Canada had to send a delegation to Ottawa. I think the time has come, in the national interest, when representatives from Saskatchewan, not only of the association connected with the project itself but of municipalities and rural areas throughout central Saskatchewan, will have to come in a delegation to parliament. They will have to send here a delegation charged with placing before the cabinet that about which not only the Minister of Agriculture but also members from Saskatchewan supporting the government have not as yet been able to impress the cabinet.

After all this is something that in the years ahead spells the difference between pros-

perity and something much less than that. It means that we will not revert to the days of the thirties and earlier, when drought struck us as it periodically did on those western plains.

This project will take ten years to build. Surely we should not continue to procrastinate, to advance excuses, and to make political bait out of it at each election. So far as this party is concerned, throughout the years we have supported this project. The Leader of the Opposition (Mr. Drew) made that clear in the month of March, when he charged me with the responsibility of placing our support behind it from the Atlantic to the Pacific. And having that support from the opposition, and realizing the need for it—because we have spoken for it not only outside the house but inside—we are going to vote for it on this occasion.

Again we ask, in order to bring this matter before the cabinet and so there will be a realization of the unity of Saskatchewan behind this, that members from Saskatchewan, whatever their party may be, join us in this effort. Let us show that we have not arrived yet at a condition of affairs in the House of Commons where members who believe in the necessity of the work being done cannot stand and be counted on this, the greatest opportunity that has ever come to members believing the need is great, place ment of the day, "This is what we are asking for and what the people of Saskatchewan are asking for".

Mr. Speaker, parliament only speaks when members, believing the need is great, place aside every other consideration for the public good. I make a special appeal, as I said in the beginning, for a united Saskatchewan, and for the support of Saskatchewan Liberal members at this time to do that which, over the years, they have advocated, and that which they are advocating today in their radio speeches. It is not the voice outside of parliament that counts; it is the vote in parliament that counts.

Mr. Gardiner: In checking my own *Hansard* I have just come across the statement to which the hon. member has just referred. *Hansard* records this:

> Mr. Gardiner: I have not said that I have not carried the subject to the cabinet. I said that the subject has not been discussed by the cabinet.

Mr. Diefenbaker: It was earlier than that.

Mr. Gardiner: That is the occasion the Leader of the Opposition was asking me about.

Mr. Diefenbaker: No, go back farther.

Mr. Gardiner: My hon. friend said that was the occasion. I have just read what *Hansard* records me as having said.

[Mr. Diefenbaker.]

Mr. G. M. Ferrie (Mackenzie): Mr. Speaker, I am very sorry that this South Saskatchewan dam has got into the state it has, as a political issue. We as members from Saskatchewan are just as enthusiastic, I am sure, and have been working just as hard in trying to establish our rights to this dam as has the hon. member for Lake Centre (Mr. Diefenbaker). He has made certain statements here today and I am sure the people of Saskatchewan will be sorry that he went as far as he did. Even one of his supporters in Saskatoon made a statement that was detrimental to him and us. He said that the hon. member for Lake Centre (Mr. Diefenbaker)—

Mr. Diefenbaker: You cannot quote the nonsense of some imaginary person; you must make it your own nonsense.

An hon. Member: Is it worrying you a little bit?

Mr. Diefenbaker: You cannot quote outside people.

Mr. Ferrie: The hon. member for Lake Centre said to one of his supporters, a Mr. Hamilton, that the Prime Minister (Mr. St. Laurent) and some of the cabinet were against and opposed to the South Saskatchewan dam. This was not a right and proper thing to do. The same thing is happening to us right now. As far as we are concerned, he wants us to get up and vote. Let him withdraw his amendment and come with us in a body to try to persuade the people of Canada.

You do not need to persuade Saskatchewan that they want the dam. We are trying to persuade the people of eastern Canada. How many homes have you been into? How many offices have you been into? Have you been doing what we have been doing, trying to persuade these people that we need the dam? Has the C.C.F. party been around this parliament trying to persuade members to give us support? Have you done that? No, we are the boys who are doing that.

An hon. Member: How many homes have you been in?

An hon. Member: Have you convinced one man?

An hon. Member: You are just a rubber stamp.

Mr. Fulton: My door is always open and you have not been to see me.

Mr. Hees: Come and call.

Mr. Ferrie: As far as I am concerned and as far as the Tory party is concerned, this is a straight political issue. When the time comes I am sure the people of the province of

Saskatchewan will show these gentlemen to my left what they need. When we ask for unity in connection with a proposition we do it because we know it is a good thing and we want to sell it. We have to sell it to the people. Let me tell my hon. friends from down in Toronto—

An hon. Member: They want to irritate before they irrigate.

Mr. Hees: How are you voting?

Mr. Ferrie: As far as I am concerned I am not going to vote for the subamendment and I am not going to vote for the amendment. As most of you have heard, we have a dry belt in Saskatchewan. We have a proposition that we think has been sold over a period of years to people in our part of Canada. We believe the time has come when the dam should be built. We believe that over a period of years it will pay for itself through the revenue that will be returned to the people of Canada.

Any farmer who happens to have land along the 400 miles of the shore line of that lake will be able to irrigate anywhere from 50 to 100 acres. What will they do? They will build up herds of livestock because they will be able to grow feed. In western Canada we are all anxious to have feed, especially those who live in the dried-out areas. When you produce livestock and livestock products they will be marketed throughout Canada. As our population grows we will be able to utilize this irrigated land.

I am not going to go into the details of what the land will produce, but I should like to say a few words with regard to the report of this commission. When the people in eastern Canada look at the report and see that $250 million may have to be spent in central Saskatchewan, they naturally come to the conclusion that that is a lot of money. If a report were to come out that the St. Lawrence development was to cost half a billion dollars, there would be a hubbub and cry all over eastern Canada. But that half billion dollars would not be spent in one year; it might take ten, fifteen or twenty years to spend it.

The same thing is true of the South Saskatchewan water development scheme. We are not asking that all this money be spent on this dam in one year, we are asking that it be spent over a period of years. If it takes six, eight or ten years to spend $100 million that is at the rate of $8 or $10 million a year. That is not asking for too much from the people of Canada in order to develop this area.

You may say that the St. Lawrence waterway will pay for itself. We agree, and we on the prairies will help to pay for it. We are producers in western Canada; we are pioneers. We ask the people of eastern Canada to help us pioneer this great project. As far as we are concerned this project is something that is necessary. This lake in the centre of the province of Saskatchewan is something we need. We need it for irrigation and for power.

As far as my constituency is concerned, the irrigation will do us no good but it will do Canada good. If we can get this power development started it will naturally provide cheaper power, and we in the northeastern part of the province of Saskatchewan are interested in that. Our power costs are very high and we need cheaper power. So far as land is concerned, I want to say that in my constituency more land could be put under cultivation for a quarter of the money that will be spent on that project, but we are willing to go along and support this great scheme as a national project. I want to ask people in eastern Canada and west of the Rockies to give us all the support—

Mr. Hees: We are all for it.

Mr. Ferrie: —they possibly can. You are only a part of Canada. You think you are the whole, but you are not.

Mr. Hees: We are giving you support.

Mr. Ferrie: We want the support of the common people. We want to show members of the house that the project is sound, so they can go home and tell their people that we have introduced a sound project and are trying to sell something that is sound.

Mr. Diefenbaker: Whom are you trying to sell?

Mr. Ferrie: We are trying to sell it to the people of Canada, and more especially the people of eastern Canada.

Mr. Hees: How are you going to vote?

An hon. Member: Party politics.

Mr. Hees: We are all for it.

Mr. Deputy Speaker: Order.

Mr. Ferrie: There are a lot of people in Canada and there are a lot of them in this house, some of them on the Tory side and some on the C.C.F. side, who are not satisfied with this project.

Mr. Diefenbaker: There is not one on the Conservative side.

Mr. Hees: Not one on the Conservative side.

Mr. Ferrie: This project is something Saskatchewan needs. This is something—

Mr. Hees: Then vote for it.

Mr. Ferrie: You be quiet.

Mr. Hees: How are you voting?

An hon. Member: It is not going to get you any votes in Broadview.

Mr. Ferrie: Get up and talk.

Mr. Hees: How are you going to vote?

Mr. Ferrie: As far as I am concerned, Mr. Speaker, the point I am trying to get over is that we as members from the province of Saskatchewan—

An hon. Member: Are you for it or against it?

Mr. Hees: Are you with us or against us? We are all for it. How about you?

Mr. Deputy Speaker: Order. It might be opportune for me to say that the member who has the floor must not be interrupted, and I might add that hon. members should not interrupt in this manner.

Mr. Aylesworth: We are just trying to help him.

Mr. Ferrie: We members from Saskatchewan—

Mr. Thatcher: Wear your colours.

Mr. Ferrie: —are doing exactly what we think is the right and proper thing to do, turning down these two amendments.

An hon. Member: Why?

Mr. Ferrie: Because they are not right, they are not proper and they are moved for one purpose and one purpose only, to embarrass the rest of the members from the province of Saskatchewan.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the Minister of Agriculture (Mr. Gardiner) told us this afternoon that the South Saskatchewan river project, and particularly the South Saskatchewan dam, had not been discussed in the cabinet, I confess that I could hardly believe it. But tonight, after listening to the remarks of the Prime Minister (Mr. St. Laurent) which he interjected during the course of the speech made by the hon. member for Lake Centre (Mr. Diefenbaker), I am inclined to believe that at least there has not been sufficient discussion of this matter in the cabinet itself. As a matter of fact, if there has been discussion they do not seem to have cleared with each other so as to be able to say the same thing on the floor of the House of Commons.

The Minister of Agriculture tried to suggest this afternoon that the item in the estimates is one which could be used, if the cabinet so decided, to go ahead with the construction of the South Saskatchewan dam. Certainly that was an attempt on the part of the Minister of Agriculture to say that the hope which the people of Saskatchewan have that this dam will be built is one they can count on being fulfilled in the not far distant future. But tonight the Prime Minister stands up and says in clear-cut language that in the light of the figures now before him—I do not know whether or not they are before the cabinet but they are before him—in this latest report he is not now prepared to recommend to the cabinet the vote of the necessary money to go ahead with this project.

Mr. Gardiner: On a question of privilege, I should like to say that I have never said any such thing as my hon. friend has just tried to indicate. I have never said any such thing at all. I have never said anything different from what the Prime Minister said. The matter has not yet been discussed with the government; therefore I am not in a position to say that it is going to be done, and I have not made any suggestion that it is going to be done, either.

Mr. Knowles: We are agreed on one thing, Mr. Speaker, and that is that apparently the matter has not been discussed in the cabinet. As I say, this afternoon I could hardly believe it, but tonight I do. The Minister of Agriculture has completely missed the point I was trying to make.

Mr. Gardiner: I have not missed it.

Mr. McIlraith: No, he did not miss it.

Mr. Knowles: The Prime Minister said tonight that in the light of the figures as to cost that have been laid before us in the royal commission report he, the Prime Minister, is not prepared to recommend the vote of the necessary moneys to go ahead with the building of the dam. But this afternoon—does someone object? Is that not what the Prime Minister said?

Mr. Gardiner: I object, Mr. Speaker. The Prime Minister was talking about this present moment. I was talking about this present moment too, this afternoon, but neither one of us has said what the final decision is going to be.

Mr. Knowles: I think somebody should adjourn this debate so the cabinet can go out and hold a meeting. The Minister of Agriculture was discussing this matter this afternoon, and at one point he was talking about Nova Scotia. He said when he is down in Nova Scotia he is not sure which way he

is going. It is not only in Nova Scotia that he finds himself in that predicament.

Mr. Gardiner: There are some people who do not admit that.

Mr. Knowles: This afternoon the Minister of Agriculture tried to say that the amendment of the hon. member for Lake Centre is not properly drawn because it says there is no item in the estimates for the South Saskatchewan river project. When the hon. member for Lake Centre, quite properly in my view, supported his position by saying that the item in the estimates is not for the building of the dam the Minister of Agriculture came back and said that the amount of money that is there does not matter. We can do it, he said—

Mr. Gardiner: I did not say that.

Mr. Knowles: —just as well on $500,000 as we can on a larger amount if we decide to do it. I submit to the judgment of the house that if that was not an attempt to suggest to the house that in the view of the Minister of Agriculture there was hope that the dam would be built, then no one knows what it was.

I submit, Mr. Speaker, that there has been a clear difference of viewpoint, from that of the Prime Minister, expressed with regard to this matter by the Minister of Agriculture this afternoon. Out of his concern across the years for the dam he still wants to be on its side as something that is to be done soon. On the other hand we have the Prime Minister tonight saying that in the light of present cost figures he, the Prime Minister, is not prepared at the present time to recommend that that much money be voted.

Now, growing out of that difference between the statements of the Minister of Agriculture and the Prime Minister there arises another difference, namely as to the reason Liberal members are putting forward to explain why they plan to vote against the amendment and the subamendment which we now have before the house.

An hon. Member: Anybody would vote against you.

Mr. Knowles: The Prime Minister's reason for opposing the amendment and the subamendment is quite clear, and he made it very clear tonight. I want to be fair to him. He says that it would be for the good of Canada as a whole to have this project but, in the light of the information and figures contained in the report of the royal commission, he feels that he cannot make the recommendation for the building of the dam at the present time. That seems to imply that there will have to be more investigations and more inquiries to decide which of the inquiries is the correct one. There is no telling how long this will go on, but it is quite clear that at the present moment the Prime Minister says that he is not prepared to vote for immediate construction of the South Saskatchewan dam. So I suggest that if the Prime Minister, as I assume he will, votes against the subamendment and the amendment, he is doing so for a clear-cut reason. It is because he at this moment is not in favour of going ahead with the construction of the South Saskatchewan dam.

The Minister of Agriculture is not so clear-cut. He is not so forthright, and he does not tell us that that is the reason for his anticipated negative vote on the amendment and the subamendment. Rather, he finds other reasons. For one, he suggests that the amendment is not properly drawn because it refers to nothing being in the estimates for the construction of the dam. I think that objection has already been disposed of, because it is pretty clear that there is not enough money in the estimates for the construction of the dam; and even if the Minister of Agriculture wants to contend that it is possible to start the dam on the basis of that $500,000 vote he has been vetoed on it tonight by the Prime Minister, who says that in the light of the latest South Saskatchewan river report he is not prepared to recommend voting the necessary money at the present time.

Another argument which the Minister of Agriculture uses is that this is a want of confidence motion as far as the government is concerned. I wish to deal with that question in a moment or two, Mr. Speaker, but before I do so it seems to me that every time a Saskatchewan Liberal gets up and uses that excuse for not voting for the amendment or the subamendment he is merely saying, and he is shouting it from the housetops, that a vote of confidence in this Liberal government is more important to him than getting the dam for the people of Saskatchewan. That is the issue as far as they are concerned and because that is the issue the hon. member for Mackenzie (Mr. Ferrie) said a moment ago that to him and to his fellow Saskatchewan Liberals the whole purpose of the amendment and subamendment seemed to be just to embarrass them.

Well, that may be imputing motives that are not correct but at least they are admitting how they feel about it, namely that they are embarrassed by the fact that they are called upon to choose between voting confidence in their precious Liberal government and voting for the dam which they say they want, and which they know the people

of Saskatchewan want, and which the rest of us feel would be for the good of all Canada.

Now, Mr. Speaker, the Liberals from Saskatchewan must not expect all of us in this house to fall for the idea that there is a dilemma and that they have to choose between one course and the other—either to vote for the dam or to vote for the government—and one must be careful not to get that word mixed and use it as an adjective instead of as a noun in that particular context. May I remind hon. members again of what happened in the House of Commons on August 27, 1946. I believe I hear the voice of the hon. member for Springfield (Mr. Sinnott).

Mr. Sinnott: No, you don't.

Mr. McCann: He never opened his mouth.

Mr. Knowles: Well, I thought I did and I hear it now. At any rate, the same hon. member for Springfield played an important part in the incident on August 27, 1946, to which I now refer. That was an occasion when from this group we moved an amendment to the motion to go into committee of supply. Procedurally we were in exactly the same position we are in now. It was a motion to go into supply and an amendment was moved. That amendment had to do with the continuing of one of the subsidies on milk. What happened on that occasion? I think the first Liberal member to stand up and express support for that proposition was the hon. member for Springfield. Other Liberal members, such as the member for Fraser Valley (Mr. Cruickshank) also indicated their support. Others who had not yet spoken also let it be known that they too were going to speak in favour of the amendment to the motion to go into supply which was moved from this group.

Mr. Sinnott: I rise on a question of personal privilege. At least when I stand up and vote I mean what I say.

Mr. Argue: You talk with your vote. Sinnott for Senate.

Mr. Knowles: I am glad to know that is the way the member for Springfield feels with regard to the incident in 1946, and I accept his word on it without question. The point is that on that occasion he spoke for our amendment to the motion to go into committee of supply and he voted for it when the time came to record the opinion of the members of this house.

As a result of that considerable body of opinion being expressed on the government side, led in this instance by the member for Springfield and supported by the member for Fraser Valley and by the only private member from Saskatchewan at that time, Mr. Walter Tucker, the government took quite a different stand from that which is being taken in this debate. On that occasion the present Prime Minister, who was then acting prime minister in the absence of Mr. King, did his best to persuade the house to allow the amendment to be withdrawn on the assurance that the government would give consideration to the matter. We were not prepared to withdraw the amendment, so a little later the present Minister of Trade and Commerce (Mr. Howe) who was then the minister of reconstruction and supply, got up and said as recorded on page 5431 of *Hansard:*

> Nevertheless the government has no objection to an expression of opinion from the members of the house. I suggest that the vote should be a free expression regardless of party.

He went on to say:

> The difficulty of obtaining the expression arises from the form of the amendment, which in itself denies the right of the house to move into committee of supply at this time. However, Mr. Speaker, I would call to your attention article 489 of Beauchesne, which reads as follows:
>
> When an amendment has been adopted to the motion for the house to go into committee of supply or of ways and means, it may be forthwith moved that the house resolve itself into such committee immediately or on a future day.

Immediately after quoting that rule from Beauchesne the then minister of reconstruction and supply said:

> Therefore I should like to serve notice that if this vote carries the government will immediately move that the house go into committee of supply this day. I believe that that procedure is consistent with the rules, and if there can be general agreement on that point the work of the house can be facilitated and the objective of hon. members attained.

Well, the result was that not only courageous members, like the hon. member for Springfield and the hon. member for Fraser Valley and others who had already indicated their support, voted for our amendment, but when the vote was called at least twenty Liberal members joined with most of those on the opposition side of the house. The result was that the amendment to the motion to go into supply was carried by a vote of 69 to 41.

Was it a vote of non-confidence in the government? No. That had already been made clear by the announcement of the present Minister of Trade and Commerce. As a result of his announcement, and as a result of the notice he had given, immediately after that amendment had been carried and had thus became an expression of opinion of the house, the present Prime Minister got up and moved "that the house do now go into committee of supply". About half

a column down in *Hansard* that motion was agreed to and the house went into committee of supply and went on with its business.

In other words, the government was not defeated. There was no suggestion of non-confidence having been recorded by the house. Rather the house was given an opportunity to express its opinion on the question of continuing the milk subsidy, without defeating the government. But why was it given that opportunity? Because Liberal members had made it clear that they wanted that opportunity. What has happened this time? Not a single Liberal member has asked for a free vote on the question. I hope the hon. member for Springfield (Mr. Sinnott) may do so. I understand that he has been trying to get the floor.

Mr. Cruickshank: Give him a chance.

Mr. Knowles: Maybe the hon. member for Fraser Valley will do so. They gave a courageous lead to their fellow Liberals back in 1946. I hope they will give a courageous lead this time if it is not too late, because a number of Liberals have stood up and said they are going to vote against the amendment.

Mr. Gardiner: May I ask if the hon gentleman now wants the same results that occurred then?

An hon. Member: That is a good question.

Mr. Knowles: I am amazed that the Minister of Agriculture goes out of his way to draw attention to the fact that after the house expressed its opinion as to what should be done, the cabinet did not give effect to that opinion. It is not the first time the government has done that. I could remind him of several other instances. I hope the Minister of Agriculture is not now suggesting—of all things to come from him—that if the house were to pass, by a majority vote, its expression of opinion that the dam should be built, the government would treat that expression of opinion in the way it treated the milk subsidy motion, my motion for the removal of the 4 per cent floor on medical expenses in relation to income tax, and other such items across the years.

Despite the fact that I have been amazed a number of times today at things the Minister of Agriculture has said, I am more than startled that he would make this interjection at this point. Since he says he is for the dam, I suggest that he is the minister who should be exceedingly glad to have a vote of that kind so he could go to the cabinet and not only carry to them the question of the South Saskatchewan dam, but say: "Here, I have behind me the vote of a majority of the members of the House of Commons; it is time that you fellows in the cabinet paid some attention to this proposition".

Mr. Gardiner: I am only suggesting that my hon. friend is talking now in the very opposite direction to that in which he talked on every previous occasion he brought this matter before the house.

Mr. Knowles: I do not know what the Minister of Agriculture is talking about. Is he talking about the subject matter of the dam or is he talking about a procedural point?

An hon. Member: What are you talking about?

Mr. Knowles: Or does he know what he is talking about?

An hon. Member: Do you know what you are talking about?

Mr. Knowles: It is clear from precedent and from the rules that if the members of this house on the government side want a free vote on this question, they can have it. All they have to do is make the fact known with sufficient clarity that the government will be in the same position as in 1946, so that a responsible minister can make the same announcement and give the same notice to Your Honour. It is clear, Mr. Speaker, that not only are the Liberal members from Saskatchewan using this excuse for voting against the motion but that they are not even asking for the right to have, on this dam, a free vote which they asked for with respect to the milk subsidy in 1946.

I would think that to the Saskatchewan Liberal members this question of the dam would be more important than was the milk subsidy question in 1946, even as I should think it would be more important to them than voting confidence in the government at the present time.

As I have already said, Mr. Speaker, many amazing things have come out today. It was rather startling that the Minister of Agriculture told us so much about what goes on in cabinet, or about what does not go on. I really thought that things that happen within the meetings of the cabinet council were supposed to be secret. Yet we now know that it was a great many years before that other proposition was brought to a head in cabinet. We now know that although the minister may have taken this question to cabinet—we do not know how many times—it still has not been discussed.

That is hard to believe when one realizes that some decision must have been made with

respect to the setting up of the royal commission. It is hard to believe also when you realize that there must have been approval of the items that have been put in the estimates from time to time. But apparently, judging from what has been said, the matter has not been discussed. If that is the case, it is all the more reason why this house should record a strong vote in favour of this proposition so the cabinet will realize that it is time to discuss this matter.

I am prepared to leave it at that and to express the hope that the hon. member for Springfield, who gave such a strong lead—and it was a really courageous lead—to the members of his party in 1946, will do it again this time and that there will yet be a request to the government, which I hope the government will answer, for a free vote on this question. It is not "either/or". It is not "either vote for the dam or vote for the government". It is perfectly possible, by rule and by precedent, to have both votes. It is possible to have in the first place a vote on the question of the dam. Let us have an affirmative vote on that question. Then after that is out of the way there can be a vote on the question of going into supply. That vote too can be in the affirmative, the house can get on with its business, and the Minister of Agriculture can have real backing to take with him to the next meeting of the cabinet, which I suggest should be tonight.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, in answer to the hon. member for Winnipeg North Centre (Mr. Knowles)—or is it off centre?—may I say that when this matter comes before the house for a vote, the hon. member for Springfield will use his own conscience and vote accordingly; he will not be dictated to by the hon. member for Winnipeg North Centre. Nor will he vote as did the hon. member for Moose Jaw (Mr. Thatcher), who was almost read out of his party.

I am glad to take advantage of this opportunity to speak so soon after the hon. member for Lake Centre (Mr. Diefenbaker), who worked himself up into a frenzy of hysteria in order to attain his particular political ambition. His theme was more or less political irritation rather than land irrigation. I am going to read, from the South Saskatchewan river report, the findings and recommendations on page 6. I am going to read just one paragraph which will substantiate what the government has been doing:

1. The commission finds that at present the economic returns to the Canadian people on the investment in the proposed South Saskatchewan river project (central Saskatchewan development) are not commensurate with the cost thereof; though the project would yield social returns which, while they cannot be measured for the purpose of this report, would be of great value to the region in which it is situated.

2. The commission recommends that, when the time comes that the project represents the then best use of water for irrigation, the present finding should be reviewed in the light of changing conditions.

I think the government in its wisdom has taken great precautions in going ahead with this land irrigation scheme which is estimated to cost anywhere from $100 million to $350 million. If they did not have the backing of every party in this house they would be accused later on of making a terrible mistake. Therefore I think the government are wise in taking these steps to make sure that every hon. member is behind this huge proposition before that large amount of money is spent.

At present there are large surpluses of wheat in Canada, and there is no shortage of food. There is no great hurry for such a project at this time. However, like any forward-looking Canadian, I certainly would not oppose a project which would be beneficial to Saskatchewan and therefore be of help to the rest of Canada. I do not pretend to be—

Mr. Hees: A candidate at the next election.

Mr. Sinnott: I do not pretend to be a member of the legal profession; neither do I pretend to have a monopoly of brains, as some other people in this house do, but I know that if we intend to spend a large amount of money—as I have said, anywhere from $100 million to $350 million—before that is done it should receive the careful consideration of any government regardless of its political faith.

I am sure Canadians as a whole will realize that it is the duty of the official opposition to guard the safety of the Canadian public's dollar. But as we have listened to the speeches of the Leader of the Opposition (Mr. Drew), the hon. member for Lake Centre (Mr. Diefenbaker) and several other members of the Conservative party we gather that it is politically expedient to do this work in order that one or two members of the Conservative party may be returned from Saskatchewan. I take the same attitude that the Prime Minister (Mr. St. Laurent) has taken, namely that this should not be made a political football. It should be gone ahead with on its merits, and if a little more time is considered necessary, in the words of the commission, I do not think it is going to hurt it. I do not think a little time will hurt us because time is the essence of everything.

Mr. Knowles: That is the motto of the Liberal party.

Mr. Sinnott: If the opposition wish to see this project go through then the less they say at the present time the better. If they leave it in the hands of the good government we have now I think they will be farther ahead.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, the discussion I have listened to this afternoon and this evening from the opposition side of the house indicates to me that the South Saskatchewan project, as far as they are concerned, has been relegated to the position of a political football. The two amendments to the motion to go into supply that are now before the house are indicative of that. The movers of those motions propose that we should support their amendments and thereby, as Liberals from Saskatchewan, show our faith in the dam on the South Saskatchewan river. As anyone knows, notwithstanding the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), a motion to go into supply is made for the purpose of voting money to Her Majesty's government to carry on the work of the government. If the government is defeated on that motion it ceases to be in power and we must have an immediate election.

Some hon. Members: Are you afraid of that?

Mr. Harrison: Just a minute; I see in these amendments a double-barrelled gun, as it were. In one case it is supposed to put the Liberal members from Saskatchewan on their mettle and at a disadvantage. On the other hand, if the amendment is adopted it puts the government out of office. If history tells us anything, it tells us that all major projects in this country have been dealt with and put into effect by this government. I am not much interested in a project that would put this government out of office and would put some other one in that we would have to depend on to put the South Saskatchewan river project into effect.

In all the speeches so far from the other side of the house I have not heard anything to bolster the argument for a South Saskatchewan dam. We have a report here, which fortunately has not been stolen, that casts a lot of doubt on the advisability of the South Saskatchewan project as an economic proposition. I would think hon. members opposite could make better use of their talents, if they are honestly in favour of this dam and not in embarrassing Liberals—which I can assure them they are not doing—by trying to balance up some of the criticism that is to be found in this report.

I gathered from the minister's remarks this afternoon and from some other information I have obtained that it would be appropriate to sell this project to the people of Canada. When the hon. member for Mackenzie (Mr. Ferrie) dealt with that angle of the proposition my hon. friends laughed, but they know as well as anybody that we have to sell this proposition to the people of Canada on an economic basis. This is one possible way of doing it. If you take the figures the minister gave this afternoon you will find that we have paid out a lot of money in Saskatchewan by way of rehabilitation in the dried-out period, that bad economic time we went through, on account of the dry years. We are pouring a lot of money into a pail that perhaps has a hole in the bottom.

Just what have we spent in rehabilitating the west that could be used to put this proposition on an economic basis, a proposition that is going to pay for itself? We have to do that or show the people of Canada that they are going to save some money by putting in the dam. I think we can show them that we are going to save some money. We have spent $135 million in prairie farm assistance payments, of which the farmer has paid some $52 million, leaving $83 million that the federal government has put out in prairie farm assistance. We have spent $168 million in direct relief in the west in the dried-out period. We have spent another $39 million on prairie farm rehabilitation in small projects; we have spent a further $22 million on large projects such as the St. Mary dam and the Bow river project, the last mostly in Alberta. In all that is $312 million that we have spent on rehabilitation. You would not have to dig very far to find out that we have spent more than that. If we are to spend $312 million every fifteen or twenty years in rehabilitation would it not be better to put a lake in that dry area and irrigate, as this South Saskatchewan project calls for?

I do not know why I should be talking for the province of Saskatchewan, particularly as I happen to be in a section where we are not lacking water. I just happened to bring down a few maps of some parts of my riding. These are air maps. As hon. members can see, there is just about as much water in this area as there is land. Each one of these areas is a small portion of the riding. As you go through this country you see that there is plenty of water. In fact there is more water in my riding than will fill this

particular project a thousand times; therefore we are not exactly dry in some parts of Saskatchewan.

This particular project will have no impact upon the riding of Meadow Lake, except that we may get some power from it. It is odd that these amendments should have been moved by members of opposition groups from Saskatchewan, and it is worthy of note that there has not been any opposition shown by the group from Alberta. They are not interested in playing politics with this issue, because they have had some irrigation in their province and they know the value of it. We are thankful to them for the way they have approached this matter.

I think there is some difference of opinion between the people of Saskatchewan and those of Alberta as to who should have most of the water. That is only natural. It is natural to suppose that they want to keep in Alberta as much of the water as they possibly can. They know the value of it, just as we do. But, Mr. Speaker, in the southern part of the province—from which I do not come—they definitely do need this dam. In view of the water we have in my constituency, I am in the same position as someone in the eastern part of Canada who is not directly connected with this project at all.

The hon. member for Moose Jaw (Mr. Thatcher) has said that he has been disappointed in the stand taken by Liberals from Saskatchewan. I can reciprocate his feelings entirely and say that I am disappointed in the action his group are taking in this matter. They are making the South Saskatchewan dam a political football. If that is what they want to do, well and good; but it will not get us a dam. We had better say to the people of Canada that this is an economically sound proposition, and sell it to them on that basis. If it is an economically sound proposition, then it will save that amount of money in the next twenty or thirty years, and we will not have to pour so many millions of dollars into the province.

We will not have to do it all at one time, either. As the hon. member for Mackenzie (Mr. Ferrie) has pointed out, it will be carried out on a ten-year or twelve-year basis, and would cost about $10 million a year. As members of the house representing the people of Canada we have to show that this is an economically sound proposition. We realize that while hon. members in the opposition were shouting only a short time ago that they are all in favour of this project, the fact is that they still have to go back home and sell it to their constituents. There is no reason why that cannot be done.

[Mr. Harrison.]

I just wish to indicate my position. So far as I am concerned, when my friends opposite move amendments which, if carried, would put the government out of office, I must definitely oppose them. I would not mind if we had an election tomorrow, but I most definitely am opposed to going out in that manner, bowing to a minority which I am sure will still be a minority after the next election.

And so, Mr. Speaker, I will have great pleasure in voting against the amendments, especially in the light of the spirit in which they are put forward. If they would accomplish anything toward getting the dam, I would be very pleased to support them. But they are not going to accomplish anything. Hon. members know that, and they knew it when the amendments were moved. I will have great pleasure in voting against the amendments on these grounds.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, I wish to say only a few words tonight before ten o'clock.

An hon. Member: Move the adjournment. It is ten o'clock.

Mr. Smith (Moose Mountain): I will do that when I get ready. I think I should say a few words before the vote is taken on the amendment and the subamendment. The debate started out as a discussion of the dam, and now it has developed into a discussion of the vote.

I want to assure my hon. friends to my left that if I thought for one moment that voting for the amendment or the subamendment would get the dam, there would be no question about how I would vote.

Mr. Argue: It might help.

Mr. Smith (Moose Mountain): You say it might help. Well, we can take a look at that, too. The Minister of Agriculture (Mr. Gardiner) has indicated that a decision has not been made, and the Prime Minister (Mr. St. Laurent) has said the same thing.

I think the government would be as seriously criticized by the opposition—I have said "I think"; I shall correct that by saying "I am sure"—if a decision were reached at this moment by the cabinet, without giving further consideration to the report. I have not much use for commissions because I feel—and I am becoming more convinced all the time—that they are used only for political advantage. That has been my impression since I have come here.

Mr. Cardiff: Who appointed the commission?

Mr. Smith (Moose Mountain): Those of us who are not in favour of the wording of the

commission's report are condemning it. However, it was mentioned tonight—I believe it was the hon. member for Mackenzie (Mr. Ferrie) who made the suggestion—that members in the opposition, including the hon member for Lake Centre (Mr. Diefenbaker), might very well discuss this matter with the various ministers.

The Minister of Agriculture (Mr. Gardiner) has said that this has not been discussed in cabinet. I take his word for that. But privately I have discussed this matter with each cabinet minister, and tried to suggest the importance of it to our province. As you know, caucus is something that is secret; at the same time I do not think I would be breaking any rule if I were to say that this project was definitely discussed in government caucus. I myself brought it up. What was said I am not privileged to repeat. However, speaking on this subject with the Prime Minister himself, privately, I tried to suggest that, so far as the federal government was concerned, we would be responsible for only part of the dam. The Prime Minister reminded me that although the federal government would be responsible for only part, the government would still be responsible for taxes even in the province of Saskatchewan. If a dam is built, two-thirds of the cost being provided by the federal government and one-third by other means, the fact remains that it must be paid for out of taxes.

Some hon. Members: Ten o'clock.

On motion of Mr. Smith (Moose Mountain) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue consideration of the motion to go into supply, and call the following departments: external affairs, transport, labour, agriculture and justice. Then the Secretary of State for External Affairs will move to refer his estimates to the standing committee on external affairs. If we dispose of that motion we will take up the resolution in the name of the Minister of Finance (Mr. Abbott) respecting the Farm Improvement Loans Act, 1944, and then Bill No. 46, to amend the Merchant Seamen Compensation Act.

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

68108—114½

HOUSE OF COMMONS

Tuesday, February 10, 1953

The house met at 2.30 p.m.

PRIVILEGE

MR. FULTON—REFERENCE TO REMARKS OF THE PRIME MINISTER ON FRIDAY, FEBRUARY 6

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I rise on a question of privilege. On Friday night, in the course of the debate, I made a remark which was brought to the attention of the Prime Minister who replied as follows, as reported at page 1712 of *Hansard*:

Mr. St. Laurent: Mr. Speaker, on a question of privilege, the Prime Minister has other things to do than to listen to the hon. gentleman—

Some hon. Members: Hear, hear.

Mr. Fulton: Mr. Speaker, I am not rising on a point of personal privilege with reference to that remark, because that is the Prime Minister's privilege, although I might say that what I had to say was related to the business of parliament rather than that of listening to an individual member. We all heard the Prime Minister say that, sir, and the *Hansard* reporter as well as the gallery heard the Prime Minister make that remark.

Mr. Speaker, I do want to raise a point of privilege affecting all hon. members, and it is this: While all hon. members, myself included, have the right to see our text of *Hansard* and make alterations therein, alterations which make more clear the sense of that which we have to say, that rule does not extend to permit an hon. member to make alterations which alter the sense of what he has said. The point in this connection, Mr. Speaker, is that the *Hansard* report contains words which were not heard either by the *Hansard* reporter, by hon. members of the house or by the gallery, so that—

Mr. Stuart (Charlotte): Speak for yourself.

Mr. Fulton: —the report now reads, with the Prime Minister saying this:

Mr. St. Laurent: Mr. Speaker, on a question of privilege, the Prime Minister has other things to do than to listen to the hon. gentleman, when he is using that tone.

My point, Mr. Speaker, is that that addition changes the sense of what the Prime Minister said. I dealt with what the Prime Minister had said, what I had heard him say and what is all that he had said on the basis of what he had said; but the sense of his remarks is now altered. I know we are all exposed to temptations to make alterations in the sense of what we have said. The Prime Minister, like others, is exposed to those temptations and has yielded to those temptations.

Some hon. Members: Order.

Mr. Speaker: Order. I do not think I should allow the hon. gentleman to continue further. If the Prime Minister wishes to make a statement he should be permitted to do so.

Mr. Fulton: If I might complete the point of privilege—

Some hon. Members: Order.

Mr. Fulton: I think it is in order for me to say this, Mr. Speaker. With respect to any inconsequential alteration I would not be raising the point, but when the experience is repeated and we recall the occasion when "kicked out" was changed to "left out" I think matters have gone to the point where it should be brought to the attention of the house that on another occasion the Prime Minister altered the sense of what he said.

Mr. Speaker: Order. The hon. member has brought his point to the attention of the house. If the Prime Minister wishes to remark on it I have no objection.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, since the hon. gentleman felt that it was his duty to bring before the house what he has said this afternoon I must first of all tell him that I appreciate his courtesy in not doing it yesterday when other duties prevented me from being in the house at this hour. But when the hon. gentleman says that I added to the report something that I had not said in the house he is quite wrong. It is quite possible, and no doubt true, that the *Hansard* reporter and the hon. gentleman did not hear that remark. The hon. gentleman will recall that while I was speaking applause broke out in several parts of the house, and it may be that that is what prevented my additional words from being heard by him; but I got the transcript a very few minutes after leaving the house and I remembered—and I remember now—quite distinctly having used the words that I inserted in the report, or possibly—I would not want to be positive

about that—it may have been "when he is speaking in that tone", though I rather think that it was "when he is using that tone". But in any event the sense was exactly the same, and I added to the report the words that I clearly remembered having used in the house.

Now, this contretemps is perhaps another illustration of the reason for remarks that have been made to me on several occasions, that when applause breaks out I should cease speaking. But when I am speaking I am more concerned with what I have to say than with any applause that greets it.

HOUSE OF COMMONS

REFERENCE BY MR. SPEAKER TO PREVIOUS RULING RESPECTING MOTION TO GO INTO COMMITTEE ON RESOLUTION

Mr. Speaker: A matter has arisen as to what was said in the house on Friday. May I refer briefly to the debate which took place on that day. I have no hesitation in saying that, in view of that debate, I am quite concerned about the ruling I made in 1952 with respect to standing order 60.

Hon. members will recall that at that time, after consideration, I gave my views on standing order 60, which reads as follows:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

From time to time there have been discussions in the house as to whether Mr. Speaker should leave the chair without question put when the motion is called on the second day. A ruling was given by Mr. Speaker Glen a number of years ago, to which I referred in my ruling. Mr. Speaker Glen said, in part, that the debate should be directed to the negative of the motion, and should be general, with no reference to details. I made a similar ruling, in which I concurred in Mr. Speaker Glen's findings, and also ruled that the debate at that time should be directed to the negative of the motion, and should be general.

During the course of the argument, when I intimated that that might be my decision, a number of members reminded me that I would have great difficulty in enforcing it. In fact some hon. members took the attitude: "Either have a full debate or do not have a debate, because otherwise you will not be able to enforce the rules."

[Mr. St. Laurent.]

Well, I felt I would be able to enforce my ruling and said, at the close of my reasons, that I would ask the co-operation of all hon. members in enabling me to enforce it. I have had the co-operation of all hon. members. But frankly, I must admit that I do not think the decision is workable; I doubt very much if I can enforce that ruling.

On several occasions during the debate on Friday I endeavoured to direct the debate in accordance with what I thought was the proper interpretation of my ruling. However, when I did so I realized that an hon. member could say, "Yes, but I feel this is one reason why Mr. Speaker should not leave the chair", and the hon. member could say, "Therefore I am directing my remarks to the negative."

Also during the debate on Friday the act, which it is proposed by the resolution to continue, was read almost fully into the record. It would have been very difficult for me to have prevented that. If I had said it was an unnecessary detail the answer would have been, "Oh, yes, but that is one reason I think you should not leave the chair; therefore I am directing my remarks to the negative."

There was a very wide debate that day. If hon. members will read *Hansard* for Friday they will see it was a complete debate on the whole subject of the resolution. Added to that, there was a very long debate on the interpretation of my ruling—and I have no reason to believe that, with a similar resolution, there would not be a similar debate on the interpretation of my ruling.

I think probably we all agreed at that time that the motion for Mr. Speaker to leave the chair was debatable. I now am not sure that we were correct—although we all agreed. The motion, when it is first put, is that at the next sitting of the house Mr. Speaker will leave the chair for the house to resolve itself into committee of the whole on the resolution. That is a decision of the house—that Mr. Speaker will leave the chair at the next sitting.

If the house has reached that decision, then how can the resolution be debatable with the Speaker in the chair when that second day arrives? The house has reached that decision. I think that was a point which was not brought up on previous occasions when this matter was being considered; and it is certainly a point which was not raised on the last occasion.

I am satisfied that the ruling I made in June of 1952 should be revised. When I cannot put it into effect, I do not think I should be asked to let it stand as it is. I

do not think a Speaker should be put in that position. It seems to me it would make for more orderly procedure in the house if, when the motion is called on the second day—that is, the motion that the Speaker do leave the chair—the resolution at that stage were not debated. I am not making a ruling at the present time; I am just expressing a view. It seems to me that no member's rights would be injured in any way. If the Speaker left the chair the resolution would then be before the committee and hon. members could discuss it from every angle with the minister in charge in his seat ready to answer questions and to give necessary information.

I would appreciate it if hon. members would give this matter some consideration. Probably in a few days you will be good enough to give me your views. My only reason for bringing this matter to your attention at the present time is to point out that I have come to the conclusion that I cannot enforce my ruling, that it is not workable or practicable. I think it would be in the interests of the dispatch of business in this house if the Speaker did leave the chair on the second day without question put.

Hon. members may suggest to me that it might be left to the rules committee. I have given that some consideration. This matter has been before three committees at least and no unanimous decision has been arrived at. As Speaker of the House I feel it is my duty to interpret the rules as they are at the present time. If hon. members want to change the rules, then that should be done by the committee; but my task at the present time is to interpret the rules as I see them.

Mr. Drew: Mr. Speaker, do I understand that you propose to set time aside to consider this further and to hear argument in regard to the point, since I understood you to say that you were not giving a ruling at this time?

Mr. Speaker: I hardly think it would be fair for me to make a ruling without hearing the views of experienced members of the house. I feel that this is an important matter. I was hoping that I could sustain the ruling that I gave in June, 1952, but I am satisfied that I cannot do that. So I agree with the Leader of the Opposition (Mr. Drew) that I should hear the views of other hon. members before I make a ruling.

Mr. Drew: Would it be appropriate if this matter were discussed at the time that the subject matter is again before you and when we return to the motion which was under discussion on Friday?

Mr. Speaker: That would be agreeable so far as I am concerned. Even if I did come to the conclusion that debate on the resolution should not be allowed on the second day, I do not think I would interfere with the debate on the present resolution now that it has gone as far as it has.

Mr. St. Laurent: There are several other resolutions on the order paper and perhaps on the first occasion when a fresh resolution is called it would be appropriate to discuss the matter and then Your Honour could make a ruling that would apply to that resolution.

Mr. Knowles: That is better.

CRIMINAL CODE

AMENDMENT TO RESTRAIN ACTIVITIES IN RACIAL, RELIGIOUS OR CLASS HATREDS

Mr. Leon Balcer (Three Rivers) moved for leave to introduce Bill No. 112, to amend the Criminal Code (racial, religious or class hatreds).

Some hon. Members: Explain.

Mr. Balcer: Mr. Speaker, the purpose of this bill is to restrain the activities of individuals and organizations, such as political parties with communistic ideologies, or other groups, which use prejudice in an attempt to set class against class, religious group against religious group, and race against race to further their own ends.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

STRATEGIC MATERIALS GOING TO U.S.S.R.

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask the Secretary of State for External Affairs whether he is now in a position to say that Canadian strategic metals are finding their way surreptitiously into the U.S.S.R. and what is being done to prevent it?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, there is not much I can add to the previous reply that I gave to my hon. friend on February 4. It is known of course that metals and other materials and equipment of a strategic nature are under export permit control here and have been for a considerable time.

A number of governments are in continuing close association in this work of controlling the movement of such strategic material. These governments agree on the materials to be controlled and the degree of control to be

exercised. They have established a system of exchange of documents between importing and exporting countries for assurance to export licensing authorities that goods will reach the destinations indicated. There is a continuing exchange of information on many aspects of the whole problem.

Generally speaking, Canada does not license the export of strategic materials to European destinations unless applications for licences are accompanied by an import certificate issued by the government of the recipient country. This assures that the government of the importing country assumes responsibility for the shipment reaching the declared destination. Further, a verification of delivery is subsequently required in these cases. The greatest care possible, then, is taken with all destinations in assuring that consignees named in export permit applications are acceptable.

DEFENCE PRODUCTION

NEW TYPE BOMBER—ALLEGED LEAKAGE OF SECRET INFORMATION

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to ask the Minister of National Defence if the detailed account of the proposed production of the new type of bomber contained in this morning's *Globe and Mail,* a copy of which I sent to the minister, represents a leakage of secret information that may be of interest to the enemy, and, if so, what action is being taken?

Hon. Brooke Claxton (Minister of National Defence): The answer is no and none.

SUPPLY

IRRIGATION—SOUTH SASKATCHEWAN RIVER DAM

The house resumed, from Monday, February 9, consideration of the motion of Mr. Fournier (Hull) that the house go into committee of supply, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Wright.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, last evening just before the house adjourned I was dealing with the subject of the South Saskatchewan dam and was discussing a private conversation I had had with the Prime Minister (Mr. St. Laurent) having to do with the dam. I indicated at that time that I tried to suggest to the Prime Minister that all we were interested in as members of parliament was the actual money that it would cost to build the dam. I think I said, but will repeat now, that he reminded me that after all funds would have to be raised for the cost of irrigation and that we must give that matter some consideration. I appreciate that point. I shall be a taxpayer for this project to both the federal and provincial governments, as will most, if not all, the people in my constituency.

I realize that the provincial government of Saskatchewan has said that they are prepared to pay their share of the cost of irrigation under the project. Well, I presume that is the case. But at the same time, even if the dam is built, as I hope it will be, there will be no irrigation in the province for some ten years. At that time the present government may still be in office. We will not debate that at the moment. However, whether it is that government or another, if the province of Saskatchewan finds that the load is too heavy for it to carry out its obligation, then whatever government may be in power provincially may say to the federal government that the load is too heavy for them to carry and that the federal government will have to carry it. I am not saying that will be the case but it could happen.

I do not want to get too far away from the subject, but there are certain projects that have been carried on in Saskatchewan with the help of the federal government, and I should like to refer briefly to our hospitalization scheme. The load is getting very heavy. While the baby was small we in the province of Saskatchewan carried it quite easily, but now that the baby is growing up and getting heavier we in Saskatchewan would like the federal government to assume that responsibility. I hope that that will not be the case when the irrigation project is built.

That is all I am going to say on that point, and I am not going to go into the details of the report of the commission except to say, as I said last night, that reports of commissions do not impress me too greatly. Having said that, however, may I say that I am one of those from Saskatchewan who cannot agree with the hon. member for Assiniboia (Mr. Argue) when he says that the government should gather together all copies of the report of the commission and throw them in the Saskatchewan river. I would agree that when we start to build the dam we should put them at the bottom of it.

An hon. Member: It will be a long time before the dam is built.

Mr. Smith (Moose Mountain): That may be, but that remains to be seen. In any event, what I am interested in at the moment is not so much what is contained in the various reports. What I am interested in is where we are going from here. If I might be allowed to make a suggestion, I hope it will not be necessary to have any more royal

commissions or commissions. When the Prime Minister spoke last night he put his position before the house. I appreciate his position and I believe most people in the Dominion of Canada and in the house, including members of the opposition, although of course they may not admit it, also appreciate it. Coming to the house on the bus this morning I noticed an item in one corner of the morning *Citizen*—I did not have one—referring to the South Saskatchewan dam. The reference was to "this big project" and suggesting more study was needed. I am all in favour of more study. In the other corner of the *Citizen* it said "more investigation".

If more investigation means another commission, then I am absolutely opposed to it, and I want to go on record as saying so. I am going to make a suggestion as to what might be done. Surely we have enough data now as a result of the investigations of the commission and other reports; and let me say that I think their report should be given a good deal of consideration. Some of us do not like the wording of it in certain parts, and in that respect it is like another report with which we were dealing not too long ago. A proper examination and explanation of it indicates that there is some very valuable information provided we use it in a non-political way. Instead of another commission I suggest that we might well have some kind of committee or referee. I would suggest a non-political committee representing all parties in the house.

Mr. Ross (Souris): How do you do that?

Mr. Smith (Moose Mountain): The hon. member for Souris says "how do you do that"? It has been done before, and I might add that it has been my experience since coming to the House of Commons that there is much more work done in committees, and in a far less political way, than in this chamber.

Mr. Ross (Souris): Which committee?

Mr. Smith (Moose Mountain): Any committees of which I have been a member. I think such a committee could well take a look at the evidence we have. In my opinion there are three things that must be done. The Prime Minister indicated last night that he was not too greatly worried about the cost of the project. I was glad to hear him say that. I am sure he has given that matter some consideration, as all of us must. We must know what kind of soil there is in the area that is to be irrigated. Surely we do not need to send a commission to Saskatchewan to investigate the soil. We must know the elevation of the land, and we do not need to send a commission to Saskatchewan to ascertain that. We must also know the rainfall. I am sure that no one would suggest that we should send someone to Saskatchewan to stand outside with a measuring cup for two or three years to find out what the rainfall is. That information is all available in Ottawa. I made it my business to find out from the different departments this morning if this information was available and could be obtained quickly. I was informed that could be done. The committee that I am suggesting might be a small one or a large one. It would have the privilege of calling government officials from the different departments to supply the necessary data. I do not see why we should spend any more money on commissions when we have government officials already on the payroll who can give the information required.

It may also be necessary to obtain the views of the premiers or the ministers of agriculture of the governments of the three prairie provinces. Then let us decide on this matter. I want to say in all sincerity that I hope that another election will not roll around before a decision is made. If it is favourable to us in Saskatchewan, that will be fine. If it is not and if we are going to have to sink, then let us sink with the ship. There is one thing about it. We can only get trimmed once on the issue if a decision is arrived at.

An hon. Member: You have been trimmed for years by your government.

Mr. Smith (Moose Mountain): That is what you may think. Speaking yesterday the hon. member for Lake Centre (Mr. Diefenbaker) said, if I heard him correctly, that all candidates in the last federal election pledged themselves to the building of the South Saskatchewan dam, or had indicated that in their campaigns. Well, if the hon. member for Lake Centre (Mr. Diefenbaker) was never wrong before, he was certainly wrong that time. I was in that last federal campaign and never on any political platform in my constituency was the South Saskatchewan dam mentioned. The Minister of Agriculture (Mr. Gardiner) spoke at my convention and it was not mentioned. Another senior minister of cabinet, the Minister of Trade and Commerce (Mr. Howe), spoke in Estevan and the matter was not mentioned. In all of the campaign carried on in my constituency, and I was at all of the meetings, it was never mentioned.

Now, Mr. Speaker, what will happen in the next campaign I do not know.

Mr. Ferguson: You will be running on the Conservative ticket.

Mr. Smith (Moose Mountain): I am not too sure that there will be enough Conservatives in my constituency to elect me and I do not think I could take that chance. However, if this becomes a political football we will have to deal with it then; but I am interested to see that we do not make it a political football at the present time. I wish to say to the government: Let us have a decision on this quickly—just as soon as possible. I said last night that I did not think the government could give us a decision right away after the report had become available, but at the same time I would hope that before this house adjourns we will have a decision one way or the other.

I am going to make a plea to the mover of this amendment which may be useless.

Mr. Diefenbaker: We are giving you a chance.

Mr. Smith (Moose Mountain): I will answer that if you will give me a minute.

The hon. member who moved the amendment to the motion rose in his place and said that he was taking that opportunity to bring this very important subject before the house. He said that it was very dear to his heart and very dear to the hearts of all the people in Saskatchewan. Well, with that there is no dispute. He went on and made what I thought was a very good speech. I pay him the compliment of saying that he made a very good speech and, as a matter of fact, I compliment him on bringing this subject before the house—although the Minister of Agriculture says it could have been brought up in the discussion on his estimates. However, I am with the member for Lake Centre in thinking that we should have had a discussion on this subject as soon as possible—and we have had it. He did not say why he moved his amendment but I presume, and if I am wrong he can correct me, that it was to give other members who were anxious to speak on it, like myself, a chance to speak. Had he not moved the amendment we might have got off on fish, or wheat, or something else and possibly I would not have had an opportunity to speak at this time.

The hon. member went on to say that he was anxious to keep politics out of this, and I am trying to convince myself that was so. I want to say to him: If he wants to make it a political issue, what is the hurry; because as far as I know there is no election in the offing at the moment. Why get started on it now? Why play it out now rather than wait? I suggest, as far as timing is concerned, that it might be better to wait. From a political viewpoint it will have more effect.

From his remarks and actions I take it that the hon. member has no notion of withdrawing his amendment. Before the vote is taken, and while the hon. member has raised a grievance, I will say that I think that moving the amendment has served a good purpose. I am sincere when I say that, but I cannot see any good purpose pressing a vote at this time.

The hon. member and other members have called on the Saskatchewan members to get up and give an independent vote. Someone has suggested that we should press the government for that. I am going to be honest and say that I have not pressed the government for an independent vote on this and I will tell you why. I am satisfied in my own mind at the moment, although I suppose my friends to the left of me will not agree, that if we had an independent vote on this at the present time, regardless of parties to which we belong, the majority of members would not be in favour.

Mr. Diefenbaker: There would be some Liberal members against it.

Mr. Smith (Moose Mountain): If my hon. friend would not be so political at the moment we would be able to get somewhere.

Mr. Gardiner: Tell us where you are going to run.

Mr. Smith (Moose Mountain): There is no difference between the members in the province of Alberta and the province of Manitoba with—

Mr. Diefenbaker: Let us have the vote and find out.

Mr. Smith (Moose Mountain): All right, Mr. Speaker, I believe that the hon. member is more interested in the vote than he is in the dam. As soon as this report was received some people suggested: Throw it in the scrap; burn it; throw it in the South Saskatchewan river. Well, that cannot be done. If we had an independent vote, in my opinion, whether the hon. member for Lake Centre agrees with me or not—and I have a right to state my opinion—I do not believe this vote would carry. I have been talking to other members as I have been interested in knowing how some of the Liberals are thinking. I spoke to many of them this morning—they were not from Saskatchewan but from other parts of eastern and western Canada—and they would not like to be called upon at the present

time to get up and make a decision about whether this project should be gone ahead with.

Now, they indicate they are in favour of it. I do not think that a vote serves any good purpose. There is only one good purpose it could serve and that is to bring in politics, which the hon. member from Lake Centre says he is trying to keep out. I am therefore trying to convince myself that is a fact.

My final plea is to ask what good a vote is going to do. Some of the C.C.F. members from Saskatchewan have indicated, for some reason or other, that we are only using this as an excuse for not voting for the amendment or the subamendment. If the hon. member for Lake Centre would take the lead I do not know but I think the other boys would go along and withdraw the subamendment.

A moment ago I think I heard the hon. member for Lake Centre say: Well, we gave you a chance. Let us take a look at that chance. I am not going to admit, Mr. Speaker, that I am any rubber stamp although we have been accused of being rubber stamps and having no independence. I am not going to admit that, but if we just assume it for the moment I would like to say to the hon. member for Lake Centre that two wrongs do not make a right. His amendment serves no purpose other than having a vote at the present time for political purposes. Well, if he wants a vote there will be lots of chance to get a vote and find out just exactly where all members stand later on. I think that he would be doing a great service to the Conservatives left in Saskatchewan if he withdrew the amendment.

The other evening the hon. member said: We want this dam. I will go along with the hon. member for Lake Centre there. We want this dam, but I beg him to keep politics out of it at the present time. If he would do that he would probably make some history in this country. He raised a matter that was very important to himself and all the rest of us in Saskatchewan, and he says that he is trying to keep politics out of it. I do not know whether he would agree with what I have suggested as far as a committee is concerned, but I think he would agree with me that it would be better for us not to have a vote at the present time. I say, and I repeat, that I think that is important at the present time. As far as a vote is concerned, whether it would hurt Liberal members from Saskatchewan or not is, I think, incidental because we either get the dam or we don't and that will be the issue, not how we voted here. If he would follow my suggestion I would be very grateful, and I think it would be helpful.

If I may be allowed to speak for the Conservatives in my constituency, and there were 2,500 in the last federal election, they are very interested in this project for Saskatchewan, and I think they would be very grateful to the only hon. member of their party coming from the province of Saskatchewan if he followed my suggestion. If he does not do so, I am going to have a hard time to convince them, if I should wish to try, that he is not stooping to political manoeuvres. Now, I think that is important.

Mr. Speaker: I wonder if the hon. member could even suggest that.

Mr. Smith (Moose Mountain): Pardon?

Mr. Speaker: I do not think that an hon. member should suggest that another hon. member is stooping to political manoeuvres.

Mr. Smith (Moose Mountain): Possibly I should not have said that, but what I was saying was that I was going to have a hard time convincing people in my constituency that it was not the case.

Now, this is the end of my remarks, Mr. Speaker, and I do not know but what the hon. member, who has spoken twice on the amendment and on the subamendment, might like to take part of my time, since I have a few minutes left, and tell us why he will not do that. I am prepared to give him part of my time, but if he does not wish to have it then we can take the vote.

Mr. Hodgson: Will you tell us why you won't vote as a member, rather than for party?

Mr. Smith (Moose Mountain): That is not a very intelligent question, Mr. Speaker.

Mr. J. H. Ferguson (Simcoe North): Perhaps I should not speak on this subject, being the representative of an Ontario constituency, but I have had the great pleasure and honour of travelling up and down this great country over a period of years and observing the lack of development of the natural resources. I have associated with the people from Saskatchewan, Manitoba, Alberta and British Columbia. I lived out west for a number of years. Out there the feeling was always present that the effete east was a handicap to the west. When I came to this house I felt in my heart that I represented the whole of Canada, and that Canada could not really be great unless all the cogs in that wheel were functioning. No person would dare to say that the province of Saskatchewan was not a necessary cog in the wheel of Canada, for to do so would be absurd.

For almost as long as I can remember I have heard irrigation problems and drought discussed. I have seen with my own eyes the effects of these conditions in Saskatchewan. I am fed up with the lack of vision indicated by the present government, and this lack of vision is not something that is limited to this particular subject. It is a continuation of the desire, for some reason or other, of not wishing to give the facts and figures regarding this project, and an inability to make up its mind as to whether or not we should proceed with the project. In part of his address the member for Moose Mountain (Mr. Smith) advocated the building of this dam, thus giving to the province what I believe in my heart it is absolutely entitled to. In this way the whole Dominion of Canada would be benefited. In speaking thus, the hon. member spoke as a Conservative would speak on this subject, and as all Conservatives in this party will vote if permitted to vote on the question of whether or not the people of Saskatchewan should get their just deserts.

In the latter part of his speech, the hon. member for Moose Mountain was excusing himself for not wanting to vote as his people would want him to vote or as his conscience dictated. He dragged more herrings across his trail—

Mr. Smith (Moose Mountain): Than you are?

Mr. Ferguson: Well, I do not mind a remark of that kind, because I just accept that as a remark from a gentleman who is trying to excuse himself for not doing his duty towards his constituents. From a man like that, you could expect almost any kind of remark.

Mr. Smith (Moose Mountain): From you.

Mr. Ferguson: You have had your opportunity, and there were times—

Mr. Smith (Moose Mountain): You did not seem to like it.

Mr. Ferguson: —when there were spots of intelligence. Now, you have sat down and if you will just keep your remarks for some other time when you want to amuse parliament, that will be all right. When your constituents read your address, and read how you beat about the bush on this subject, they will certainly not even want you on the Conservative ticket.

Mr. Smith (Moose Mountain): That is mutual; I do not want to be there.

Mr. Ferguson: I am afraid there will be lots of them trying to scramble onto this ticket at the next election after the shemozzle this party has made of things.

[Mr. Ferguson.]

Mr. Smith (Moose Mountain): Talk about the St. Lawrence seaway.

Mr. Ferguson: I know more about it than you know about your proposition out there. The hon. member for Moose Mountain said he was sick and tired of repeated commissions. He said he had gone to a lot of trouble, and I am sure he has, in proving conclusively that this project should be proceeded with immediately.

Mr. Smith (Moose Mountain): I said no such thing.

Mr. Ferguson: I do not doubt that his information was accurate and came from the best sources in his government.

Mr. Smith (Moose Mountain): I said no such thing.

Mr. Ferguson: You are going to make this house believe you did not say anything, and I am going to make this house agree that surely you have said nothing.

Mr. Smith (Moose Mountain): If you are going to quote me, quote me correctly.

Mr. Speaker: Order. It would be better if both hon. members addressed the Chair.

Mr. Ferguson: As I said before, whether or not the hon. member for Moose Mountain agrees with me, I am still firmly convinced that the people of Saskatchewan need this project. I should like to see this country get its just deserts through an increased population, an increased development of the natural resources. We have the iron development in Labrador and Quebec; we have the oil in Alberta. We still have tagging along the province of Saskatchewan, which undoubtedly is a great asset to the people of Canada. With all the facts my friend could bring us from the sources in his own government, there seems to be no doubt that this project is worth while. I am a Conservative from the province of Ontario—

Some hon. Members: Shame. Do not brag about it.

Mr. Ferguson: I do realize that we must develop this country as a whole, and that one or two provinces cannot go along alone. Saskatchewan is an integral part of this country and we need it. The taxpayers in the provinces of Ontario and Quebec can do little but contribute willingly and wholeheartedly large sums of money to the development of the other provinces which are not as fortunate. Surely this government has had ample time to make up its mind and say to the people of Canada, "We have now sufficient information to permit us to declare that we are going to start this project, and that completion is expected within a certain

time". I, as a member from Ontario, am one hundred per cent in favour of this project being undertaken immediately. I am sick and tired of the procrastination of this government day after day in delaying something the people of Saskatchewan need. The hon. member for Moose Mountain cannot mistake my attitude in the matter.

Mr. Irvin Studer (Maple Creek): Mr. Speaker, in this debate that has to do with the association of water and the land, and the production thereof as a result, those of us who have been only too familiar with a situation that has been otherwise over a great number of years, would like to associate ourselves with those who have spoken on behalf of the South Saskatchewan river development. We do so in order that we will not be placed in a position, as we have in the past, of having to learn by dire experience the things that we should do in advance to prevent certain conditions recurring. History has shown us that things that have happened in the past will, over a period of years, happen again. History has an unfortunate way of repeating itself.

In order to eliminate that situation, and place ourselves in a position where the people of Saskatchewan and the other parts of Canada can look forward to the future with a greater degree of confidence, I should like to lend my assistance to the government and to the people of the Dominion of Canada so that an effort will be made to initiate in the province of Saskatchewan the only method that I know of that can prevent similar conditions occurring in that province. One of the fundamental problems since mankind has been on this earth has been that of dealing with famine. We read in Genesis that at the time of Joseph the land was covered with famine, and that famine was caused by nothing less than a drought. In the year 1516 before Christ it was a problem of the people, and it has been associated with them ever since. In order to eliminate the conditions that existed at that time—they were unaware of what irrigation could do for the people of the world—they used one method, namely, providing in good years for the bad years. In good years they stored up corn for the bad years. The Lord instructed Joseph and they did that during the good years. During the seven good years they stored up sufficient for the seven bad years that were going to be inflicted upon the people, because, as I mentioned before, they had no other solution for their trouble. It is written in Genesis that famine was all over the face of the earth during that period of time. We in this House of Commons must do what lies within our power so that not again in the future at any time, irrespective of what anyone may say about overproduction in this day and age throughout the length and breadth of the land, with the population increasing in the world, shall it be written of us that we contributed to famine in the world.

I should like to say in as few words as possible what I think about this subject of irrigation. It is our hope that we may eliminate what has been a problem over such a long period of years. We read that in the early days the Nile river was used for irrigation purposes so that food could be supplied to the people of that time. During the time of the Roman empire Egypt was the granary of the world. They tried to devise ways and means so that the water would co-operate with the soil to provide the essential of life, which is food. This came to be a continuing problem in the world. We should consider it from that angle if from no other.

Canada is great in the eyes of the world. It has not been too great in its ambition to make provision for the future in connection with irrigation. Last week I checked up on some figures on irrigation in the world and I found that Canada has approximately a million acres under irrigation. The United States, another supposedly advanced country, has 2,200,000 acres under irrigation; Mexico has 5,700,000 acres; Cuba, 50,000 acres; Dominican Republic, 24,000; British Guiana, 100,000; Colombia, 30,000; Peru, 2,400,000; Brazil, 2,200,000; Chile, 3 million; Argentine, 2 million; Union of Soviet Socialist Republics, 8 million; France, 5,700,000; Italy, 4,920,000; Spain, 3,740,000; Morocco, 1,500,000; Algeria, 400,000; Greece, 600,000; Syria, 620,000; Hungary, 40,000; Lebanon, 74,000; Pakistan, 30 million. It was only a few years ago that we had its Prime Minister in our country. China has 47,500,000 acres under irrigation; Japan, 7,600,000; Thailand, 1,800,000; the Philippines, 1,120,000; India, 35 million; Ceylon, 400,000; Indo-China, 1 million; Java, 8 million; Australia, 2,700,000; New Zealand, 250,000, making a total of approximately 180 million acres of land of the world under irrigation. Without these 180 million acres of land under irrigation famine would stalk the face of the earth. Therefore I submit, Mr. Speaker, that irrigation is a good prospect. Wherever irrigation has been instituted it has neither been abandoned on any large scale nor reduced to any great extent in any country of the world. In any country where there is water and suitable land, if they are not brought together it is wastage of the soil and it is wastage of lives, because production on that soil results in giving people the opportunity to live somewhere in the world.

South Saskatchewan River Project

I have lived in the constituency of Maple Creek for 35 years, and most of those years have been spent in hoping for rain, in hoping and searching the sky for the clouds which might bring rain, and in only 6 of those 35 years have I in my particular area had a crop that was a paying crop. Most of my life, along with the other people in that area, I have spent in searching for rain. The first thing I did on awakening in the morning was to scan the heavens to see if there might be the prospect of a cloud in the sky, and the last thing at night was to look at the reddish horizon and the way the sun would set to see whether there was any hope for rain the following day. Too often have we suffered for lack of water, the result of the non-application of water to the soil. Just imagine what water would have brought to the people who were suffering and in despair during the thirties, those people who were the salt of the earth. Just imagine what they went through during that period of time, and yet we hear people in this country say that we should let the water flow as nature intended it, water that could be utilized to save lives in the world, and to save not only their lives but their spirit and their morale. Just think of the contribution that they could make to the country that we are trying to build in this Dominion of Canada, to make it even greater?

We had mothers gazing at their children in that period of years to which the hon. member for Saskatoon (Mr. Knight) made reference yesterday in a nice way when he was speaking on this subject. It is not often that I agree with him, but he explained to us yesterday what happened to those people during those years. Their plight has also come to the attention of people right here in the city of Ottawa, because the mayor of that city was out through the constituency of Maple Creek in 1932 and 1933 when a committee was set up by the Right Hon. Mr. Bennett to investigate conditions out in Saskatchewan and particularly in the southwest corner of that province. That is part of the Palliser triangle that reaches down to Mexico, and comprises all the boundary east of the Rocky mountains. That has always been dry and always will be dry. Let us do something about that so that people may live there in the future.

The last record I have shows that there are 2,800 people there who have an application in to the P.F.R.A. people to move to another area somewhere in the province to establish themselves in connection with their farming operations. Twenty-eight hundred people have applications in that are unfilled because there is no room for them elsewhere. There is no room in the irrigation districts in Alberta; there is no room in any part of western Canada. We want to establish those people because the southwestern part of Saskatchewan was settled in the beginning by people with unlimited hope in that country. They could not bring those hopes to fruition because it was a dry country, and it took us a generation to learn that. Since we have learned it let us adapt ourselves to it and unite our experience with the experience of people throughout the whole world, and utilize the waters that flow that were given to us for that purpose as well as for other purposes. Water has been utilized since the beginning of time for that purpose and will be utilized for that purpose until the end of time. Let it not be said of Saskatchewan that for some reason, or from some motive, we are not utilizing the water that is there. The first essential is to impound the water. Without that nothing can be accomplished. It is the duty of the federal government to impound the water. After the water has been impounded, then the province can take it and utilize it to the best advantage of all the people who may benefit from it.

Many people ask me, why do you not move away? Well, we are not moving away. We came to that country with the idea in our minds that we could carve a home for ourselves in that country, and we are going to make a home for ourselves in that country. Under certain conditions we can create enough wealth there for the people of Canada, because of production in that area, to just overwhelm them and the people of the world. That can be done under ideal conditions and we refuse to abandon homes and land that hold that promise. But it takes us a while to learn, and it takes the government a while to associate itself with what is happening in this country, and to learn what the needs are. After they have learned about those needs, I hope they will be doing something about it.

Our only solution in the southwest area is water. There is no other solution. The practice of summer fallowing was initiated and has been continued over the years. The cost of summer fallowing in this country would have built a dozen South Saskatchewan river developments. The cost of summer fallowing over the years, where you let the land lie idle and hope that it may accumulate water from rainfall, so that you can seed it in another year, has cost a great deal of money. The cost, year after year, of letting all that land remain idle has been so great that, as I have said, it would build a dozen South Saskatchewan river projects.

That is what P.F.R.A. was initiated to do—to have that land brought into operation, and to eliminate the conditions which made it impossible to bring the area to a point where it could make its contribution to the national life of the country. That is why it was initiated; that is why it was introduced; and if it cannot complete that purpose or complete those efforts for which it was intended, then it is of no further use to us.

Yesterday the Minister of Agriculture (Mr. Gardiner) placed a considerable amount of history on record. He put on *Hansard* all the facts surrounding the establishment of P.F.R.A. When hon. members understand that one acre of irrigated land will stabilize forty acres, then they can begin to visualize what a million acres of irrigated land would do. It would stabilize about forty million acres of agricultural land in the province of Saskatchewan. That would continue on, year after year. There would be production in that area, irrespective of rainfall; and the area affected could thus make its contribution to the national wealth.

Take the national wealth created by the production of wheat and other grains out of western Canada, and what do hon. members think would happen to the economy of the whole country? Anything that you have of any value is directly affected by the economy of western Canada; and so I say it is in the interests of all Canada to make the west productive.

What is going to be the position ten years from now? I would ask hon. members what would happen if history repeats itself in western Canada. And does anyone think that we will not have periods of drought again? Does anyone think we can stand idly by after suffering from drought over the years, without giving the people of the southwest any evidence that preparations are being made on the part of the government in respect of what it will do in years to come? I would not be a party to any policy or support any government that takes the position that it will not utilize what has been shown necessary by evidence through the years, or that will not accord the people their rights. Because the people have a right to live. They have a right to produce, and they shall not be restrained therefrom by an inoperative government.

So I am wondering what is going to be the position ten years from now. We know that P.F.R.A. was brought into existence to assist in these areas. It was brought into existence by a leader of the Conservative party—one who took a much different attitude from some Conservatives who have been talking in the House of Commons in the last few days. They should follow the example of one of their earlier leaders.

Another thing P.F.R.A. was supposed to do was to eliminate the necessity for P.F.A.A. The Minister of Agriculture told us yesterday that $140 million has been spent on P.F.A.A. from our national wealth and economy throughout the years it has been in operation—and I believe that is about twelve years.

Incidentally, let me say that in the constituency of Maple Creek we have a greater number of small projects than are to be found in any other constituency in Canada; so I know what these irrigation projects will do. I know, of course, that at various times they involve some cost—not the projects themselves, but what happens when the water overflows and thus handicaps effective efforts.

However P.F.R.A. was brought into existence, one of its purposes being to eliminate P.F.A.A.—the Prairie Farm Assistance Act. From that act farmers received a certain amount each year when they suffered from crop failures. It was just to keep them alive, to eliminate relief, so that they could continue in succeeding years, in the hope that they might reap crops at some later time.

Are we going to have P.F.A.A. for the rest of our lives, or is something going to be done to eliminate that condition? I am speaking about the southwest corner. Incidentally, I receive no benefit from the proposed South Saskatchewan river project, because the elevation of my land is too high. We are too far away. I am not too hopeful about the power prospects. We can get along without that power if we have to, but we cannot get along and produce the necessities of life with a land that is dried out.

So we wish to augment P.F.R.A. and eliminate as much as possible of P.F.A.A. How are we going to do it if we adopt the attitude where we are going to wait another ten years, or perhaps longer, until someone completes the South Saskatchewan river project?

I am not one who looks to other governments to do things. I would like to see them done by this government. I would ask the people of Canada to give consideration to what has happened out in Saskatchewan. I would ask them to give consideration to what is contained in the report that has recently been presented to parliament. If there is one thing in that report that has been eliminated and that, in my opinion, has not been considered, it is the fact that there has not been sufficient distinction

between dominion-provincial cost, consideration of what the province would have to pay and what the dominion would pay.

I do not think there would be any question in the minds of any of us as to the attitude we should take when P.F.R.A. representatives, engineers who have been associated therewith, and others, have stipulated that at the very outside it would cost the Dominion of Canada no more than $84 million, over a period of ten years. That $84 million is spread over a ten-year period—and that is what we are asking the people of Canada to consider, so that we can establish ourselves out in that country and thus eliminate relief costs and relief measures over the years.

That is what we want the government and the people of this country to do. I would associate myself with what has been said by the hon. member for Moose Mountain (Mr. Smith). I would say sufficient commissions have been appointed. However, I would disagree with the hon. member in one respect, because I think there should be one more commission, and it should consist of only one member of the former Meek commission, one member of the Cass-Beggs commission and one member of the Hogg commission, as well as one member from among officials of P.F.R.A., who know more about this subject than anybody else. They could determine what would be the best policy for Canada to follow.

They would not need to make any further investigation at all, because they have their reports. Let us have this committee appointed to investigate committees—commissions to investigate commissions. They could do it all in a month. And if those four people were not enough, then let us add a few farmers. Because the farmers of western Canada, with the dominion Minister of Agriculture, could make a decision on this matter within thirty days. It would be a valuable decision and one that the Dominion of Canada could support.

I would offer one word of caution, however: Do not put any lawyers on that commission, because if they act as some opposition lawyers are acting in the House of Commons that commission would continue until the crack of doom.

Do you know what there should be in connection with this House of Commons? In addition to the house, and the other place, there should be an intermediate place where we could put all these lawyers, these people who make their living by their mouths. In that way they could talk the year round, and it would permit us farmers to go back home and do something for the national well-being of the country.

[Mr. Studer.]

Put them all in that intermediate place, a place that has been described in the Bible as the limbo. Put them in there, but do not overlook the hon. member for Winnipeg North Centre (Mr. Knowles) because, he being the sixty-sixth edition of Beauchesne, he could keep them all in order. So the opposition come before the House of Commons with what they know is a ridiculous situation. In the first place they are asking us to vote for subamendments and amendments to convince the government that the dam should be built. Whom are we going to convince with any vote? They cannot even convince themselves. The originator of that amendment, if he has been convincing people in Saskatchewan with votes over these last fifteen years, has certainly done a good job of it because only two per cent of the population in Saskatchewan have voted for his party. So if he is convincing people, he is convincing the Tory party right out of existence by voting.

You do not convince anyone by voting. You can vote for something the rest of your life but you do not convince a soul. You convince people by logical, common horse-sense argument. I do not know anyone who is better at that kind of argument than the farmers of western Canada and all over Canada.

Let them have a little chance to operate here in this House of Commons without having to apply for admission within the ranks and only be accepted on the terms "we will listen to you but we are wasting our time by doing so". All the time that has ever been wasted in this country has been wasted by lawyers talking. All the difficulty that people get into is caused by some lawyer getting them into it or by some other lawyer trying to get them out. So I suggest that the farmers could settle this with much less discussion. If the opposition think we can convince anyone by voting, they do not do that in the province of Ontario through their legislation or they do not do it in the province of Saskatchewan. In order to persuade people you have to convince them that something should be done.

They are telling us to do in this House of Commons exactly what they refuse to do in their own provincial governments. They definitely will not vote against their budgets. They definitely will not vote against their speech from the throne because it would be considered a non-confidence vote. They definitely will not vote against the bringing in of supply because that is a vote of non-confidence. They will never do that, yet they ask us to do it in order to convince the government. The government does not need to be

convinced. Convince the rest of the people of Canada by sound, logical argument, convince also the western farmer and that is all you need to do because the government will not go against the wishes of the people as a whole. I was not sent here by the people of Maple Creek to vote non-confidence in this government because, when things are done, they will be done by this government, not by somebody voting this way or that way in a political sense. This government does the right thing because it is the right thing to do, and for no other reason. When we convince this government and all the people of Canada who have to be convinced that it is the right thing to do to build this dam, then it will be done. No political discussion will ever change that because you would be in the same position if you ever were the government, which God forbid.

So I would like to conclude by again bringing to the people of Canada the necessity of giving consideration to this South Saskatchewan river project. I hope that we can look forward to an early favourable decision on the part of the people of Canada represented by the government for the building of this dam. In that way we can do our part in this world to prevent a recurrence of what has only too often happened in the past, drought conditions which make it impossible for people to live in the various areas and put forth their full productive effort, which would prevent the wastage of land and the wastage of public moneys that are used as an alternative means of supporting the people in these areas during such years.

I claim and repeat along with other members that we should go forward in this young and virile country, which boasts of being one of the leading countries in the world, and make the greatest possible use of our productive efforts to provide a greater utilization of our resources and create a condition in this country which our children, when they replace us, will look back at and realize that in this day and age we provided, not only for themselves in plenty, but for many other peoples throughout the world.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I can assure you that I did not intend to take any part in this debate because it does not practically concern the part of the country from which I come, but certain statements have been made during the debate to which I have listened carefully with which I must take issue. Several members of the opposition who have spoken have said that they would like to see a free vote on this issue. I have sat here for two days wondering what is a free vote.

An hon. Member: There ain't no such animal.

Mr. Stuart (Charlotte): During the eight years that I have been in Ottawa I have never been asked to vote in a particular way. I can say in all sincerity that I have never been asked to vote on any issue in any particular way. I have used my own judgment. I recognize the fact that I was sent here as a Liberal member of parliament. No doubt it is pretty well taken for granted that I will support Liberal policy. I will admit that to a great extent I have done that, but I have not been driven, I have not received any suggestions. I feel that I am as free as any member in the House of Commons. I do not like this suggestion of a free vote because I will vote on any issue the way I feel I should vote.

Other statements have been made with which I take issue. When the hon. member for Lake Centre (Mr. Diefenbaker) was speaking yesterday he suggested that the project under discussion had been supported by the leader of his party inside and outside the chamber at all times. To me that seems to be a most irresponsible statement, to say that a man should be prepared to support a thing before he knows it is economically sound. I could not sell that in the maritime provinces. The people who know me and who have been with me eight years know that I have never voted against anything that would be for the benefit of the general public in this country. I have always supported them.

I should like to put on the record what was said yesterday by the Prime Minister (Mr. St. Laurent) when he was asked a question by the hon. member for Lake Centre. This is what the Prime Minister said, as reported on page 1770 of *Hansard*:

> The government is not prepared to go ahead, without further information, to recommend to parliament the expenditure of the amounts estimated by the commissioners, and will not take it upon itself to do that until it has further information.

I could not support this type of thing when I am convinced in my own mind that there is not sufficient evidence so far to prove that it is economically sound. There is one more thing I should like to mention at this particular point which has been very noticeable to me. Another report was brought into this chamber recently and it was suggested that the investigator did not need to be investigated. It went before a committee and the people who are talking here today did not ask one single question in the committee.

Mr. Speaker: Order. I cannot allow a discussion of that matter at this time.

Mr. Stuart (Charlotte): I am finished with that matter, Mr. Speaker. This report came in, but this report is all wrong. We are prepared to accept one without any discussion, but the other one is all wrong. There is no foundation for the information that is in this report that is being discussed here now. I fail to understand why those two attitudes should prevail. I cannot understand how you can take one for granted and condemn the other one when so far as I can understand from the discussion that has taken place everyone is convinced that the men responsible for these reports were the most reliable men to be found in that particular type of work. But one is condemned completely.

It has been suggested that some of the members of the cabinet and the Prime Minister might have been playing politics with this issue. If I have ever seen politics played with any issue, it has been played by those who have spoken in the last two days when men stand up and say that they will support this wholeheartedly when they do not know it is economically sound. They are prepared to support it anyway because it might mean votes for them. I want to tell these gentlemen something. There is an old story about the dog that reached for the shadow and lost the bone completely. Be careful that that very thing does not happen and that this does not boomerang on you. You may gain a few votes somewhere but in other places you may lose a whole lot more than you gain. I am sure that the discussion that has gone on here in the last two days would not appeal to the people of the maritime provinces. If I am convinced that the project is feasible and economically sound, I can stand up and vote for it and explain it to the people of my constituency; but on the basis of the report that has been made and the information contained in it it is impossible to do so.

I should like to bring one matter to light in that connection and then I will sit down. In the section of the country from where I come there is a project that has been under discussion for twenty-five years, the Passamaquoddy tidal power project. It would mean much to that particular part of the country because we are very short of electrical energy. It would mean everything to us. It has been under study for a long time. We all get impatient. I am impatient at the present time. I should like to know what is to be done. Engineers of great experience tell us that it is feasible so far as the building is concerned but they are not convinced that it is economically sound. In other words, they are not convinced that power could not be produced more cheaply from other sources than by the construction of this project.

I am sure that the people of Ontario, Quebec and the western provinces would not want to pour money into such a project if electrical energy can be generated more cheaply by steam. The same considerations exactly apply to the South Saskatchewan project. If I can be assured that it is economically sound after it has been investigated, then I am prepared to support it, but I do feel that it is playing politics to the fullest extent for men to stand up in this chamber and say they are prepared to support it regardless of whether or not it is economically sound.

Mr. Diefenbaker: Nobody ever said that.

Mr. Stuart (Charlotte): I wanted to place the views of a maritimer on the record. That is the position I am in and that is the attitude I will take. When it comes time to vote there is no one on that side of the house and no one in this group who will tell me how to vote. I will decide for myself how I will vote just as I have for the last eight years.

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

Mr. Stuart (Charlotte): Certainly.

Mr. Herridge: The hon. member mentioned the fact that he had never known anything else but a free vote in this house. How would he interpret the words of the Minister of Trade and Commerce (Mr. Howe) at the time the milk subsidy was under debate when he said, as found at page 5431 of *Hansard* for August 27, 1946:

> Nevertheless the government has no objection to an expression of opinion from the members of the house. I suggest that the vote should be a free expression regardless of party.

Mr. Stuart (Charlotte): I am pleased to answer that question. I have no knowledge of what the Minister of Trade and Commerce said at that time. I have no knowledge of what he had in mind, but so far as that particular vote is concerned I can say again that it was not suggested to me by any member of the cabinet or anyone else as to how I should vote. I voted to suit myself and it is so recorded in *Hansard*. As I stated before, never in the eight years that I have been here have I been asked to vote on any issue in any particular way.

Mr. Ferguson: The party is so well trained that they follow. They do not have to be told.

Mr. Gauthier (Portneuf): Speak for yourself.

Mr. Stuart (Charlotte): Speak for yourself.

An hon. Member: Fergie, old chap, don't say that.

Mr. John Hunter (Parkdale): Mr. Speaker, I enter this debate with some timidity, being primarily an urban type representing an urban riding and also representing an Ontario riding. Since the hon. member for Maple Creek (Mr. Studer) has spoken, I am even more timid because I am a member of the legal profession. However, he did mention that sometimes we are able to get people out of trouble, and perhaps I can suggest something that may be of some use to the people from western Canada. It has been my observation generally that property and civil rights, such as are involved in this case, are always under the legislative jurisdiction of the provinces, and in my own province of Ontario these matters are usually looked after by the province. I should like to suggest that so far as Saskatchewan is concerned the province has a legitimate claim. First of all, when the province was formed, which as I remember was some time around 1905, the resources were reserved to the federal government and were not returned to the province until many years later.

During that period much of the immigration to and settlement of the now arid area of southern Saskatchewan took place, and the federal government, both parties at one time or another, had the control of it. Therefore I suggest that the federal government, having been in a sense responsible for that settlement, owes a duty to Saskatchewan by reason of the improper, inefficient or unknowledgeable administration during that period. I would suggest that their duty is to try to remedy the defect, to try to remedy what took place. One obvious remedy would be to remove these people and place them elsewhere, but such a remedy is never simple of accomplishment. If another remedy is to provide irrigation to permit the land on which these people were settled to become properly arable, then I would suggest that is a suitable solution.

The report of the commission has been made and it indicates to a certain extent anyway that the project may not be economically sound. In that event, since I believe that the federal government has a duty to the province of Saskatchewan, I would suggest that the government study earnestly what can be done in the way of irrigation. It may be that the P.F.R.A. engineers have a proper solution or it may be that they have not. Nevertheless I suggest that in fairness to the province of Saskatchewan—and I think this feeling is held generally by those in Ontario—a proper study should be made reasonably quickly. The information is now available, and a decision should be made as to what should be done so far as irrigation is concerned.

I do not think any person from Ontario feels, as some of the Saskatchewan members sometimes suggest, that Saskatchewan is something that is outside the pale. Nor do we ever feel that we do not need Saskatchewan. We regard it as a most valuable part of our national economy, and obviously it is only by the complete integration of all natural resources in the total economy of Canada that we can achieve the greatness which is necessary to this country. When people from Saskatchewan make comments about the rather indifferent attitude of those from the east I think they are sometimes expressing opinions in which they do not really believe. It would be silly for any hon. member of this house to try to write off Saskatchewan or any other province and suggest that when something is due to them they should not receive it. Therefore, acknowledging that we possibly owe a debt to Saskatchewan, my only suggestion is that a study be made of the problem as soon as possible using the large amount of information available, and that a solution be reached and action be taken.

Mr. John M. James (Durham): Mr. Speaker, I should like to make a few remarks following what has been said by the hon. member for Charlotte (Mr. Stuart) and the hon. member for Parkdale (Mr. Hunter). First of all I am not a lawyer, and that may be of some help to me here. But I do want the people of Saskatchewan to know, and especially members of this house from Saskatchewan, that we in Ontario are right behind them as far as we can go. I do not think there is any doubt about that. That feeling is not the monopoly of a couple of Conservative members. It is held equally by every Liberal member of the house from eastern Canada. We are most sympathetic to their cause.

At this point I should like to pay a tribute to the wonderful sales effort put on by Liberal members from Saskatchewan in connection with this project. They have visited our offices, they have talked to us on every and all occasions on which we have come in contact with them. They have tried to explain the difficulties they have had and the necessity of something being done. I pay tribute to their work and I want to let their constituents know what wonderful work they have done and are doing on their behalf. There is no monopoly there as far as the Conservatives

are concerned—or the other parties. The Liberals from Saskatchewan have done a wonderful job.

Going further, I must say I admired the attitude the Prime Minister has taken about this, in comparison with the attitude of the other parties concerned. It was one of responsibility—responsibility that has been evident in his actions since he has been our Prime Minister. I say to the people of Canada and of this house in particular, Mr. Speaker, thank God we have a Prime Minister and a cabinet who must be convinced of the right way before they will go ahead and spend $2 million, $84 million, $350 million or whatever it may be. They must be convinced they have the answer before they will go ahead on any project, be it this one or be it any other. They will not be pressured into building the South Saskatchewan dam or anything else until they are convinced it is right to go ahead, to take the taxpayers' money and go ahead with that or any other project. Thank heaven we have that cabinet and that Prime Minister with us.

Mr. David A. Croll (Spadina): I just want a minute of the time of the house because I too have been visited by the Liberal members from Saskatchewan who have taken my time and their time to explain and re-explain to me the South Saskatchewan project and its benefits. Perhaps the views of a member who is not elder but who has grey hairs would be useful.

We should let the people of western Canada know that we in eastern Canada want to be helpful. We have long ago realized, if we have not expressed the view, that we in eastern Canada can be neither healthy nor prosperous without western Canada; that we appreciate that the metropolis of Winnipeg, and Regina in the heart of the wheat belt, and the great city of Vancouver, which has a twelve-months port, are dependent on the wheat belt.

As I understand it, and as simply as I can put it, we are trying to build a lake in the centre of the prairie provinces. In eastern Canada we have much water. We have too much water at times but you in western Canada lack water. We cannot bring you our water; there is no way of doing that; there is no way of our sharing it with you. But we can share our wealth with you in order that wealth may provide water for you.

We in eastern Canada look upon the South Saskatchewan project as being in the interests of all the people of Canada and not of any particular part of it. As for myself, I was very disappointed that some doubt was cast upon this scheme, but it has been; and that is something that you people from Saskatchewan will have to overcome in some way. Remove the doubt; that is your immediate task.

Much more progress can be made if all of us in this house would devote ourselves to removing as quickly as possible that doubt which has been cast upon the project by the report. I assure the members from western Canada that we shall support the project willingly and anxiously.

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, I had no intention of speaking on this matter but after hearing the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Lake Centre (Mr. Diefenbaker), and the hon. member for Maple Creek (Mr. Studer), whom we heard a while ago, I thought I might add my contribution.

We know that these gentlemen who are from Saskatchewan are very anxious to have this dam built and we also know that, as a member said a moment ago, Canada can only be prosperous provided the whole country is prosperous. If all of the provinces are not prosperous Canada cannot be prosperous.

I am sure that we have great admiration for the people of the west who have done a wonderful job in building that part of this country. We have great admiration for those men who have fought the battle to have this dam built. But if we stop to think for a moment, we will all agree that up to now Almighty God seems to have been pretty good to the people of Saskatchewan. The farmers seem to be getting their fair share of prosperity and we are glad they are getting that fair share of prosperity because they deserve it. We hope they will continue to be prosperous for many years so that we may enjoy that prosperity with them.

The government, however, has a duty to perform which cannot be limited to any one section of this vast country, nor to any one province. It is the duty of the government to find out and investigate closely just where and how money received from the taxpayers can be spent most judiciously. It may be all right for the members from Saskatchewan to concentrate all their efforts on forcing the government to act immediately on this dam. I have already said before that I admire them for that, because if they can get this dam for their province it will no doubt add to the great prosperity of Saskatchewan and, eventually, of Canada. We would all benefit from that. But, Mr. Speaker, the government must, before spending the taxpayers' money, look forward and see what the best results can be for the country as a whole. Until it has investigated every means of irrigation I

think it would be foolish at the present time for the government to endeavour to build this dam until it has further information. I base my views on the report of the commission. Some people have said—

An hon. Member: That is not the Currie report you have, is it?

Mr. Bourque: —that the commission should not have gone into all these things. To me, however, the commission was a commission duly appointed by this government and I am sure that its members endeavoured to do their duty as they saw fit. They have had expert advice and they are looking to the prosperity of Canada as much as we are.

I would refer to page 6, "Findings and Recommendations":

1. The commission finds that at present the economic returns to the Canadian people on the investment in the proposed South Saskatchewan river project (central Saskatchewan development) are not commensurate with the cost thereof; though the project would yield social returns which, while they cannot be measured for the purpose of this report, would be of great value to the region in which it is situated.

2. The commission recommends that, when the time comes that the project represents the then best use of water for irrigation, the present finding should be reviewed in the light of changing conditions . . .

3. The commission finds that the available data, which are by no means complete, indicate that the said project does not represent the most profitable and desirable use which can be made of the physical resources involved . . .

5. The commission finds that the future demand for water for irrigation could be such as to exhaust the available flow of the South Saskatchewan river, and recommends, therefore, that without delay a comprehensive, long-range program be developed that would result, over the years, in the most beneficial use being made in the interests of the people of Canada of the waters of the Saskatchewan river from its head waters to the sea.

I therefore concur entirely with the remarks made by the Prime Minister (Mr. St. Laurent) on Monday evening when he said, as reported on page 1770 of *Hansard*:

The government is not prepared to go ahead, without further information, to recommend to parliament the expenditure of the amounts estimated by the commissioners, and will not take it upon itself to do that until it has further information . . .

The further information is as to whether or not this is the best use to be made of that great national asset. Personally I think that it is a good use to be made of it, and if I can be convinced to the extent where I can honestly say that I believe it to be the best I will recommend to my colleagues to make the recommendation to parliament. But I want to be sure that if this asset is used in this way it will not be apparent shortly afterward that there was a better use to which it should have been put.

As a businessman, Mr. Speaker, I say this is not the proper time to go ahead with this project because the commission has stated that there might be other plans in the future that would be cheaper. Since we have to spend the taxpayers' money judiciously, I think it would be a good idea to have further investigation. If we find at a later date that this is a bona fide project, then we could go ahead with it. I would then be entirely in favour of that project.

I heard an hon. member state a few minutes ago that he had never been asked to vote in any particular way. I can say that since I have been in this house—it is only a short time—no one has ever asked me to vote in any particular way or told me to do anything I did not want to do. I should like to tell the gentlemen who have spoken, and who have told us that we have to vote in a certain way, that I shall vote with the government because I am convinced that the government is right. I am proud of the words used by the Prime Minister (Mr. St. Laurent) the other night. Like a good father with a family of ten children, he wants to see that the money the government is spending is spent fairly and for the good of the whole of Canada. It is for that reason that I shall vote with the government, because I am convinced that the Prime Minister has the welfare of Canada at heart and it is for that reason he is delaying this project. He is not sure that it is the best way to spend the taxpayers' money.

Mr. A. M. Robichaud (Gloucester): I did not intend to take part in this debate, but after hearing the remarks of the hon. member for Maple Creek (Mr. Studer), I believe I would be remiss in my duty as a member of the New Brunswick bar if, at this stage, I did not take up the cudgels and say a few good words on behalf of the lawyer members of the government and the House of Commons. The hon. member suggested, when speaking on this amendment, that the house should be divided into three sections, and that the lawyers should occupy the limbo section. If we were to follow the pattern set out by the hon. member and had one section which was not very interesting, then a heavenly section, a purgatory section and then limbo, in what section would the hon. member for Maple Creek like to see himself?

There have been many things, mostly bad, said about lawyers throughout the ages. One definition which has always struck me as being very much to the point, Mr. Speaker, was coined by a great British jurist when he said that lawyers were comparable to a pair of shears in that they cut everything that comes between them but they never nick one another. May I remind the hon. member that all these unfriendly, uncharitable, sometimes witty but often "corny"—to use a modern expression—darts which have been thrown at us have always been blunted on

the Canadian lawyers' armour of professional solidarity and dignity. We are strengthened in the realization that most of those who criticize us most severely deserve nothing but the divinely inspired words:

"Father forgive them; they know not what they do."

Before resuming my seat, may I ask the hon. member for Maple Creek where he would find a cabinet in his government today were it not for the thirteen able lawyers who make a good part of the 20-member cabinet of the present government?

Mr. Gauthier (Portneuf): They are good lawyers.

Mr. Robichaud: I said that.

Mr. J. L. MacDougall (Vancouver-Burrard): I should like to say a few words on this subject because the real roots of my very existence stretch down into the dry, droughty soil of Saskatchewan. I recollect quite vividly what the lack of rainfall meant to many people in Saskatchewan. I should like to say also that, coming from the province of British Columbia, no tirade of abuse has ever been levelled at me because I voted in support of additional payments to the people of Saskatchewan for grain. Further than that, I should like to say that we are representatives of Canada, and not just representatives of one constituency in the dominion. I feel, therefore, that on this occasion it is necessary to speak about unity in Canada. I am not going to devote one instant while I am on my feet to speaking about the merits or demerits of the South Saskatchewan development. The whole carcass, if I may use that expression, of the subject has been gnawed over in this house for a couple of days. I do not think anything I could say with respect to that carcass would be edifying to any member of the house.

I should like hon. members to allow their minds to go back to the days of Upper and Lower Canada to see what great advancement the Canadian nation has made in unity, not provincial unity, not parochial unity, but in national unity for the general welfare of the Canadian people. It is that point about which I am most concerned. In that connection, sir, may I say that some of our great prime ministers of the past, the late Right Hon. Sir Wilfrid Laurier, the late Right Hon. R. L. Borden, the late Right Hon. William Lyon Mackenzie King, and our present Prime Minister (Mr. St. Laurent) have added tremendously to the national unity of Canada, compared to what it was at the turn of this century. Therefore, sir, rather than delay the house unduly in connection with what I consider to be a proper appraisal of national unity, I should like to quote a citation from the life of Lord Rosebery as written by Lord Crewe. Before I do that may I say that there are certain phrases in the quotation I shall read that deal with Scottish union as they apply to the United Kingdom and also unity within the United Kingdom, and wherever the phrase occurs in what I am about to quote we can substitute the word "confederation" or "confederacy" as it applies to the Dominion of Canada. I should like to put on record the words of Lord Rosebery with respect to unity as they appear on page 49 of this volume. As this quotation was applicable in his day, so also is it applicable today in Canada:

> Our ancestors put their hands to a mighty work, and it prospered. They welded two great nations into one great empire, and moulded local jealousies into a common patriotism. On such an achievement we must gaze with awe and astonishment, the means were so adverse and the result so surprising. But we should look on it also with emulous eyes. Great as that union was, a greater still remains. We have in our generation, if we would remain a generation, to effect that union of classes without which power is a phantom and freedom a farce. In these days the rich man and the poor gaze at each other across no impassable gulf; for neither is there in this world an Abraham's bosom of calm beatitude. A powerless monarchy, an isolated aristocracy, an intelligent and aspiring people, do not together form the conditions of constitutional stability. We have to restore a common pulse, a healthy beat to the heart of the commonwealth. It is a great work, the work of individuals as much as of statesmen, . . .

I should like hon. members to pay particular attention to this phrase. I continue:

> . . . alien from none of us, rather pertinent to us all; each in his place can further it. Each one of us—merchant and clerk, master and servant, landlord and tenant, capitalist and artisan, minister and parishioner—we are all privileged to have a hand in this most sublime work of all; to restore or create harmony betwixt man and man; to look, not for the differences which chance or necessity has placed between class and class, but for the common sympathies which underlie and connect all humanity. It is not monarchs, or even statesmen, that give to a country prosperity and power. France in 1789 had a virtuous monarch and able statesmen. But the different classes of the community had then become completely estranged, and the upper crust of society was shivered to dust by the volcano beneath. In this country the artificial barriers which separate class from class are high enough, but, thank God, they are not insuperable. Let us one and all prevent their becoming so. A great page records the bloodless and prosperous history of the Scottish union. A greater page lies vacant before us on which to inscribe a fairer union still."

That is the crux of my remarks, Mr. Speaker. As Canadians, let us determine to continue the great work of bringing about a greater national harmony in the Dominion of Canada. That has been exemplified by other members here this afternoon, one from the maritimes and also from Ontario and Quebec. Let us agree that if the economics

of this project are such that they warrant the expenditure of the amount of money called for either by the commission report or in the estimates of the cost by the federal government, we shall see to it that through our voice in this parliament we shall bring about, as the closing words of the quotation I have just given say, a greater and more lasting harmony and unity than we have had.

The house divided on the amendment to the amendment (Mr. Wright) which was negatived on the following division:

YEAS

Messrs:

Adamson
Argue
Aylesworth
Balcer
Beyerstein
Black (Cumberland)
Blackmore
Blair
Browne (St. John's West)
Bryce
Cardiff
Casselman
Catherwood
Charlton
Churchill
Courtemanche
Coyle
Diefenbaker
Drew
Fair
Ferguson
Fleming
Fulton
Gagnon
Graydon
Green
Hansell
Harkness
Hees
Herridge
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
MacInnis
MacLean (Queens)
McGregor
McLure
Montgomery
Murphy
Nickle
Noseworthy
Nowlan
Pearkes
Poulin
Quelch
Robichaud
Ross (Souris)
Shaw
Spence
Stanfield
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
Wright
Wylie—61.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Bater
Beaudoin
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Bradette
Bradley
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron
Campney
Cardin
Carroll
Carter
Cauchon
Cavers
Claxton
Cleaver
Cloutier
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Croll
Dechene
Decore
Denis
Deslieres
Dewar
Dickey
Dumas
Eyre
Follwell
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gingras
Goode
Gour (Russell)
Gregg
Harrison
Hellyer
Helme
Henderson
Hetland
Hunter
James
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrançois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
McWilliam
Major
Masse
Monette
Mott
Murray (Cariboo)
Murray (Oxford)
Mutch
Nixon
Parent
Pearson
Picard
Pinard
Pouliot
Proudfoot
Robertson
Rochefort
Rooney
Ross (Hamilton East)
Rousseau
St. Laurent
Schneider
Simmons
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Tremblay
Valois
Ward
Warren
Weir
Welbourn
Whiteside
Whitman
Winkler
Wood—136.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted, I would have voted for the subamendment.

Mr. Cruickshank: I was paired with the hon. member for Cape Breton South (Mr. Gillis).

Mr. Speaker: Is it the pleasure of the house to adopt the main amendment?

Some hon. Members: No.

Mr. Argue: I wonder if you could call it five o'clock.

Mr. Speaker: Do I understand that the main amendment has been lost?

Some hon. Members: No.

Mr. Graydon: The main amendment has been carried.

Mr. Argue: I want to speak at this stage of the debate, but I see it is five o'clock.

Mr. Speaker: Order. The hon. gentleman spoke on the subamendment and I think it

is the practice in the house on the motion to go into supply that hon. members shall speak just once.

Some hon. Members: Question.

Mr. Speaker: Otherwise an hon. member could speak three times on the motion to go into supply.

Mr. Graydon: If he has something to say let him speak.

Mr. Knowles: May I point out that the hon. member for Lake Centre—

Some hon. Members: Sit down.

Mr. Knowles: May I point out—

Mr. Speaker: Order.

Mr. Knowles: I think he did it quite properly, but the hon. member for Lake Centre (Mr. Diefenbaker) has already spoken twice in the debate. He spoke to the main motion, moved an amendment and then was permitted to speak to the subamendment. I submit that in the same manner the hon. member for Assiniboia (Mr. Argue), who spoke on the subamendment, has the right to speak on the main amendment, and on the main motion as well, if he wishes to do so.

Mr. Speaker: I recall that the hon. member for Lake Centre did speak twice. However, it is five o'clock and I shall consider the matter between now and eight o'clock. It being five o'clock the house will consider private and public bills.

PRIVATE BILL

MERCANTILE BANK OF CANADA

Mr. Alan Macnaughton (Mount Royal) moved the second reading of Bill No. 111, to incorporate the Mercantile Bank of Canada.

Mr. Knowles: Is the hon. member who is sponsoring the bill not going to speak to it at this time?

Mr. Macnaughton: It will be a pleasure to say a few words on this bill to incorporate the Mercantile Bank of Canada. The incorporators are five well-known gentlemen, three of whom are extremely well known to Canadians. The first is Mr. J. B. Carswell of Vancouver, who during the war was director general of the department of munitions and supplies in Washington. He of course is a well known consulting engineer and at the present time has considerable to do with the Kitimat construction and other big projects in British Columbia. Mr. Arthur Cross is also one of the Canadian incorporators, and he was a senior partner of P. S. Ross and Sons of Montreal, chartered accountants. He is a past president of the Dominion Steel and Coal Corporation and a past director of the Royal Bank of Canada. Senator Bouffard is of course well known to most of us. Aside from being a lawyer, he is president of La Banque d'Economie de Quebec, Quebec city.

Then we have the last two directors, C. J. Endert and H. E. Moquette, both of whom are managing directors of the Dutch bank, Nationale Handelsbank N.V. of Amsterdam, Holland. The capital is $3 million divided into 300,000 shares of the value of $10 per share. I understand $1,500,000 will be subscribed if the House of Commons allows this bill to go through. The head office is proposed for the city of Montreal, and as soon as possible thereafter a branch will be opened in the city of Vancouver because one of the purposes of this incorporation is to supplement the international trading services of the existing banking system of Canada. This charter, as hon. members will see from section 5 of the bill, if passed and accepted by the house will continue in force, as will the charters of all other banks of Canada, until the decennial revision, namely July 1, 1954.

I am prepared to give further details but the bill has been considered in the other place, has been given third reading and passed. I suggest that it should be referred to the standing committee on banking and commerce where we are prepared to give any and all explanations, to call any witnesses that the members may desire, to expose the plans and the necessity, purpose and reasons for the passing of the bill and the application in further detail.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

Mr. Speaker: The business under the heading "private and public bills" having been completed, the house will resume the business which was interrupted at five o'clock.

SUPPLY

IRRIGATION—SOUTH SASKATCHEWAN RIVER DAM

The house resumed consideration of the motion of Mr. Fournier (Hull) that the house go into committee of supply, and the amendment thereto of Mr. Diefenbaker.

Mr. Speaker: Just before five o'clock the hon. member for Assiniboia rose to speak on the main amendment to the motion to go into supply and I raised the question whether a member, having spoken on the subamendment, could speak on the main amendment. It has been brought to my attention that the hon. member for Lake Centre has spoken on the main amendment and the subamendment. It would therefore appear that a

member who has spoken on the subamendment may speak on the amendment. I would be glad to hear the views of any hon. members with respect to that point.

Mr. McIvor: Mr. Speaker, as one of those who has done a lot of listening, I was thinking that enough has been said.

Mr. Speaker: That may be the opinion of the hon. member, but I am only concerned with the rules. On giving the matter further consideration, it seems to me that an hon. member can speak on the subamendment and on the amendment. Of course he could then speak on the main motion. I will not make that a firm ruling, but will allow it to stand for the present.

Mr. Graydon: You had better make it permanent. I think you are right.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I think the vote taken just before five o'clock constitutes a very severe blow indeed—

Mr. Speaker: Order. I cannot allow that. There has been a vote and the house has come to a conclusion on the subamendment. That vote must stand. I think I should be firm and require the hon. member to speak to the main amendment.

Mr. Argue: Mr. Speaker, the main amendment was moved by the hon. member for Lake Centre (Mr. Diefenbaker) in the following terms:

> This house regrets that in the estimates presented to this house no provision has been made for immediately proceeding with the construction of the South Saskatchewan river dam.

When the Minister of Agriculture (Mr. Gardiner) began his speech yesterday he attempted to convince hon. members that the very small item now in the estimates for further surveys in relation to this project is an item that in fact could be used for the construction of the project. The minister went to great lengths to attempt to show the house that this vote could be used for construction. He even went so far as to say that somebody had made a mistake, that the vote should have been $1 million instead of $500,000 as appears in the estimates.

I have seen the government make a lot of mistakes during this session, but I do not imagine the treasury board let half a million dollars go by without realizing it. I noticed that the Prime Minister (Mr. St. Laurent) did not say that the item of $500,000 in the estimates should have been $1 million. It is a case once again of the Minister of Agriculture attempting to say in another way that the people of Saskatchewan can still expect that the project will be completed.

A lot has been said in this debate about members of parliament having a free vote. We have heard the hon. member for Outremont-St. Jean (Mr. Bourque) and the hon. member for Durham (Mr. James) get up and say that votes are always free, that there is never any pressure put on Liberal members—

Mr. James: On a point of order, I do not believe that the hon. member for Durham ever said any such thing.

Mr. Argue: Oh, I am sorry; that is correct.

Mr. James: Although I would agree with it heartily.

Mr. Argue: It was the hon. member for Charlotte (Mr. Stuart). The hon. member for Durham agrees, so we have three of them saying the same thing. That being the case, I suggest that members on the government side of the house from the province of Saskatchewan have no choice, if they really want the South Saskatchewan dam built, and should say not only by voice, which is important, but by vote, which in my opinion is of equal importance, that the project should be gone ahead with. The hon. member for Maple Creek (Mr. Studer) said: Well, in this place it does not matter how you vote; it only matters how you talk. I wonder how the member for Maple Creek got his seat in the House of Commons. Was it by the way the people in his constituency talked or was it by the way they voted?

Speaking in the House of Commons is important in that we can bring issues to the attention of members, and we can plead that members should support certain issues. The vote is of extreme importance and any vote which has been taken against the amendment asking that the dam should be built is, in my opinion, a very distinct disservice to the people of Saskatchewan who are anxious that this project be gone ahead with.

I have been saying that the Minister of Agriculture (Mr. Gardiner) is attempting to dangle a carrot on a stick before the people of Saskatchewan in the coming election. He is trying to keep the door open and to say that perhaps that small item in the estimates may be sufficient to start construction of the project. Well, it is a carrot on a stick, but the carrot is getting smaller as the years go by. I notice that the estimates for this project for the year 1949-50, in other words the 1949 election year, were $2 million. The estimates for 1950-51 were divided into two categories. Both estimates that might have been used for this project and were used no doubt for certain surveys on the project totalled $1,775,000. The next year's estimates were again reduced, to $1,545,000. The 1952-53 estimates for this project were once again reduced, being down to $1,245,000. The

1953-54 estimates that were recently tabled for this project total only $636,438.

We had a $2 million estimate in 1949-50, the last federal election year, and this year, another federal election year, the estimate is one-third of that $2 million. That estimate, taken in conjunction with the royal commission's adverse report, together with the stand taken by our own Saskatchewan Liberal members, suggests to me that the chance of getting the dam now is just about one-third the chance we had in 1949-50.

Well, the Minister of Agriculture was attempting to keep the door open, attempting to say there is a little item in the estimates and that there might be a little hope yet for the project. I notice that he said there was no division in the cabinet—there should not be, either—and so when the Prime Minister stated the cabinet's position we got the record straight. The Prime Minister said at page 1770 of *Hansard*:

> The government is not prepared to go ahead, without further information, to recommend to parliament the expenditure of the amounts estimated by the commissioners, and will not take it upon itself to do that until it has further information.

The Minister of Agriculture says the door may still be open. The Prime Minister says the government is not prepared to go ahead. We have had members from Saskatchewan saying they could not vote in favour of the dam at this time, in favour of the amendment or the subamendment, because such a vote might defeat the government. They would not want to do anything that would defeat the government. Apparently if they have a choice between supporting this government, with its colossal majority, adding one more vote to a very large and unessential majority in any given vote, they prefer to do that rather than to vote for a project that is essential to their constituents and to the people of Saskatchewan.

We were not asking any of them to do anything that would vote the government out of office; though mind you, I imagine we will be leaving here in a few weeks and will be out fighting a federal election. It does not matter at all to me; in fact it would be just fine if the election were called now and we could get out a little bit sooner. That has nothing to do with their proposition. They would not vote for it because it might defeat the government and they would not want to do that.

Mr. Speaker: Order. I am not entirely convinced that the hon. member has the right to speak again at this time. Citation 293 of Beauchesne's third edition reads as follows:

> After an amendment has been moved and seconded, the question on the amendment is proposed, and any member who speaks after that question has been proposed speaks to it and not to the main question. When the amendment has been disposed of and the main question is again proposed, any member can speak who has not already spoken on the main question, whether he spoke on the amendment or not.

I would ask hon. members to notice carefully the following words:

> The mover and seconder of the amendment having spoken to the main question cannot speak again to it. The same rule applies, of course, to the case of an amendment to an amendment.

The original amendment to the main motion was moved by the hon. member for Lake Centre (Mr. Diefenbaker) and seconded by the Leader of the Opposition (Mr. Drew). The subamendment was moved by the hon. member for Melfort (Mr. Wright) and seconded by the hon. member for Assiniboia (Mr. Argue). Is not then the hon. member for Assiniboia prevented from speaking to the main amendment? Unless any hon. members have arguments to the contrary I am afraid that I shall have to rule accordingly.

Mr. Knowles: Mr. Speaker, I do not wish to try to argue to the contrary but I would like to point out two things. The first is that the citation you have just read from is not from any standing order. It is one of those many citations and precedents which I sometimes think cause us more trouble than they do us good. The other point I would draw to Your Honour's attention is that although those words have been there in that paragraph for all these years I have never known them to be applied. Time and again seconders of amendments and seconders of subamendments have been permitted to speak at the succeeding stage of the debate.

I would suggest that we should hardly be changing a practice that has been followed down through the years, particularly when the suggestion to do so is on the basis not of a standing order but of a paragraph known as a citation tucked away in the book.

Mr. Speaker: Of course, there are many citations in Beauchesne—

Some hon. Members: Hear, hear.

Mr. Speaker: —to the effect that if an hon. member moves an amendment or, having seconded an amendment, speaks to the amendment he is then prevented from speaking on the main motion. I think I would have to apply the same ruling to a subamendment. I am afraid I will have to rule that the hon. member for Assiniboia has not the right to speak at this time.

Mr. Graydon: Mr. Speaker—

Mr. Speaker: Is it on a point of order?

Mr. Graydon: On a point of order. I am not an expert on the rules but in that respect I find myself very much at home with the great percentage of members in the house. However, I do think that there must be some common sense applied to a matter of this kind. If I may, I should like to bring what I believe is an element of common sense to this decision. It seems to me that when there is a main motion before the house, then the house membership has a right, while that motion is before the house, to speak. There is no doubt about that, and no one will deny that position. When an amendment is introduced I should think no one would object to anyone in the house speaking whether or not he has spoken before, because when an amendment is introduced a new subject is injected into the debate. For this reason the membership of the house has a right to discuss it and state their point of view.

Then when a subamendment is introduced, surely the same thing applies. Another new subject has been injected into the debate, and surely no one will suggest that the house membership has not the right to speak on that subamendment. Those three divisions having been properly established, then surely the reverse applies. After all, because a member does not speak at one of these stages surely he is not denied the right to speak when that stage is again reached by the house. I am not referring to a question of rules or anything technical, but I believe if you think this over, Mr. Speaker, you will see there is some injustice done if that common sense approach is denied to the membership of the house. I leave that to you, because your acknowledged fairness in matters of this kind will take that point into consideration. If a member has a right to speak at some stage of the debate, surely he has not denied himself that right by not having participated at that time.

Mr. Fournier (Hull): Just to complete the picture, Mr. Speaker, may I say that I was most interested in the argument of the hon. gentleman. What is the main motion before the house? It is that Mr. Speaker do now leave the chair for the house to resolve itself into committee of supply. That is one stage where any member can speak, move an amendment or a subamendment. No one ever discusses the main motion that Mr. Speaker do or do not leave the chair. Usually they add some regret or ask some redress.

When the hon. member for Lake Centre (Mr. Diefenbaker) spoke, he spoke about the South Saskatchewan matter. In his amendment he blamed the government for not proceeding immediately with these works. His amendment was seconded by the Leader of the Opposition (Mr. Drew). Later on the hon. member for Melfort (Mr. Wright) moved the subamendment, and if I recall correctly the hon. member for Assiniboia (Mr. Argue) seconded the subamendment. In his speech he covered the whole amendment and the subamendment, and to my knowledge he did not forget anything.

Do you not think, Mr. Speaker, that this citation has some good foundation? If you want to follow the other citation that says speeches should not be repetitious, I am sure all this will be a repetition of things that have been said many times. In the interests of orderly discussion in the house, once we have said everything we have to say, repetition cannot help our case. You say that this does not come under a standing order, but it is a consequence of standing order No. 43 which reads:

> No member may speak twice to a question except in explanation of a material part of his speech . . .

Mr. Knowles: This is another question.

Mr. Fournier (Hull): Which one, the South Saskatchewan?

Mr. Knowles: This is now the amendment of the hon. member for Lake Centre. In connection with the subamendment of the hon. member for Melfort (Mr. Wright), the Speaker raised a different point. That is not being argued now.

Mr. Fournier (Hull): I thought we were discussing the South Saskatchewan project or development. Perhaps I am mistaken and do not know enough about it. That is what has been discussed for two days. The hon. gentleman is now repeating himself because Mr. Speaker let him go on a second time and speak on the amendment. I would not apply the rule too strictly, but in the name of common sense I think we have discussed this at length and repetition would not enlighten the members of parliament or the public.

Mr. Argue: On the point of order, Mr. Speaker, I am certainly not an authority on the rules. In my experience in this house, I have never seen Your Honour rule a member out of order because he may have spoken on the subamendment and then wished to speak on the main amendment.

Mr. Speaker: I quite agree with the hon. gentleman in that statement, but the difficulty in which I find myself is that the hon. member for Assiniboia seconded the subamendment. The hon. member for Peel (Mr. Graydon) has raised a very interesting question, and I am inclined to agree with his viewpoint. I gather from what he said that hon. members who had not spoken on the main amendment should now have the

opportunity of doing so. I agree with him. That is in accordance with the rules of the house, as he has stated.

However, the rule also is to the effect that an hon. member who moves or seconds a subamendment and speaks, not only speaks to the subamendment but also speaks to the amendment.

In the latter part of citation 293, I find these words:

> The mover and seconder of the amendment having spoken to the main question cannot speak again to it. The same rule applies, of course, to the case of an amendment to an amendment.

My ruling is that the hon. member for Assiniboia, having seconded the subamendment and having spoken to the subamendment, is prevented from speaking to the amendment. This does not, however, prevent other hon. members who have not spoken to the amendment from speaking to the amendment at this time. The hon. members who moved and seconded the subamendment along with the hon. member who moved the main amendment cannot speak at this time.

Mr. Arthur Laing (Vancouver South): I would ordinarily hesitate a long time, Mr. Speaker, before entering a debate which might more properly be had on the occasion of the budget or at some other time. However, I think possibly I can make some slight contribution to this debate, and that is why I rise at this time.

I come from our most westerly province, and I think I will be understood when I say that we and the three western provinces enjoy something of a community of interest. I should like to think that all the people in British Columbia would be as anxious to see this project go ahead as are the people of Alberta and Saskatchewan. This is one of the great national projects upon which this government has embarked; and I think the great national projects upon which we have embarked constitute probably the finest contribution of this twenty-first parliament. It would be a fortunate circumstance if these projects could be by climatic and economic necessity spread equally all across this country, because a project of this size, or a project of the size of the St. Lawrence seaway, must be of benefit to all Canada as well as to the area in which they stand.

In connection with this amendment I am deeply concerned about the reported remarks of the Leader of the Opposition (Mr. Drew) when he was recently in the west, and I am equally concerned about statements made by the hon. member for Assiniboia (Mr. Argue). As far as I can see they take the stand: costs be hanged; let us build it anyway.

We have had members on the other side of the house endeavour to embarrass the Minister of Agriculture (Mr. Gardiner) by suggesting that he is now tarrying over a thing which his people want immediately.

Mr. Cardiff: You cannot embarrass him.

Mr. Laing: Well, probably it is a good thing for Canada that he cannot be embarrassed. I would say this, that if he is embarrassed in his own province of Saskatchewan—and I do not think he is, very much—I should like to think that the taxpayers in the other provinces of Canada would thank him and the government for having the moral courage to take the position they did.

Irrigation farming, I have learned after considerable study, is the most hazardous of all types of farming. I know some of the history of irrigation in the areas represented by the hon. member for Medicine Hat (Mr. Wylie) and the hon. member for Lethbridge (Mr. Blackmore). It is a type of agriculture that, after the water is available, involves a very great cost in preparing the land for the irrigation. I have seen in that area those big land planes, as they call them, in which the land has to be shaved down to make a gradual slope so the water can be economically used. When the water is put in this particular area of Saskatchewan, as undoubtedly it will be some day, you are going to revolutionize Saskatchewan to this extent, that you are going to cease having the monoculture that is at present practised there. I am of the opinion that as soon as the water is put on the land, that land will have a value of $150 to $200 an acre. Farm production is dependent upon soil resources, sunshine and water. On the prairies today two of these essentials are under control. The third is not under control. The proposal to bring irrigation to that area is to bring the third essential under control.

The hon. member for Lake Centre (Mr. Diefenbaker) said that Saskatchewan was a grain-growing province. I do not believe grain would continue to be the primary product grown on that irrigated land. I do not for a minute believe that. They would immediately have to get into, on account of the cost value of the land, the specialized crops for which Alberta is making a great name for itself today.

In our province of British Columbia we have a situation not dissimilar to that projected in the South Saskatchewan scheme. We have areas where the water has to be raised to the benchlands in our Okanagan for

the production of fruit. The hon. member for Yale (Mr. Jones) will bear me out when I say that in that area the gross production from some of that land—I mean gross production to the farmer—is of the nature of $2,000 an acre; yet they find that the maximum limit to which they can raise water effectively is something under 200 feet. That is something that should induce us not to cast aside advice but to use all the advice that we can possibly obtain.

The P.F.R.A. engineers in Saskatchewan, and indeed in all the prairie provinces, have in recent years done a magnificent job on soil and water conservation on relatively smaller projects. This is a very large project. I have no doubt that for years the P.F.R.A. engineers had been thinking in terms of this larger project; but I am equally convinced that they have not given the thorough study and inspection to the costs which would warrant the approval of the government of the scheme as a whole.

The government employed a commission. Two of these men I do not know, but I remember reading the late Dr. Widtsoe's writings fifteen years ago. I am informed that he was the best irrigation engineer on this continent, which might make him one of the better irrigation engineers of the world. The commission made a suggestion that the cost was excessively high. When I go to a doctor and he tells me something I do not like to hear I do not say, "Off with his head." They are doing that in Russia today, but I hope we will not do it in Canada. I think we have arrived at a position where we need additional information. Surely this project is of sufficient size to warrant all the information we can collect.

We are not an overly cautious people, and I would not be too cautious in this regard, but I do not want to be like the Leader of the Opposition, the hon. member for Lake Centre or the hon. member for Assiniboia, and throw all caution to the winds; because the effect of this amendment is that regardless of cost we shall build it anyway.

As a taxpayer in another province I have said that we in British Columbia are just as interested in the building of that dam and the bringing of irrigation to the province of Saskatchewan as the people of that province, and we want to see it. We were as cruelly disappointed by the findings in this report as were the people of Saskatchewan, but at the same time to take the stand that regardless of cost we must proceed at once is to take a stand that I do not think should be shared by the people of any of the provinces, including Saskatchewan, and that is why I propose to vote against the amendment.

Mr. F. H. Larson (Kindersley): I do not pose as an authority on the constitution, but to my knowledge there are three qualities a government must have to stay in office. It must be able to carry the speech from the throne; it must be able to carry its budget, and it must be able to go into supply in order to vote money. At page 1591 of *Hansard* the hon. member for Lake Centre (Mr. Diefenbaker) moved:

> That all the words after "that" to the end of the question be deleted and the following substituted therefor:
>
> "this house regrets that in the estimates presented to this house no provision has been made for immediately proceeding with the construction of the South Saskatchewan river dam."

When the suggestion was made as to its being a vote of want of confidence in the government the hon. member for Lake Centre (Mr. Diefenbaker) rose in his place and said this should be a free vote. Now, possibly Liberal members from Saskatchewan could vote with the opposition in this matter, and it is possible that the amendment might not carry. But if the house had divided evenly and ten or twelve members had voted in that way, I can imagine the hon. member for Lake Centre and the Leader of the Opposition pointing the finger of scorn at the Prime Minister (Mr. St. Laurent), demanding his resignation and that we go to the country, because the house could not go into committee of supply.

The principle is the same. The house, composed as it is now, is probably different from what it would be if it were evenly divided. But I repeat that the principle is exactly the same; and I respectfully suggest that this would be a vote of want of confidence in the government.

There is only one other matter I should like to discuss. The report on the project was made and concurred in by P.F.R.A. authorities and by their consultants. In November of 1949, in a private conversation I had with the premier of Saskatchewan, he told me that the power possibilities of the South Saskatchewan were not nearly what had been anticipated when the previous estimates were made. At that time he was foreshadowing the appointment of Mr. Cass-Beggs so that he could bring in a report; and subsequently that report came in. The first doubt was then cast on the feasibility of the proposition as set out by P.F.R.A.

We now come to the next step. Since the federal government had a great deal of responsibility in the matter, and taking into

consideration the doubts expressed by the premier of Saskatchewan, in view of the fact that there was some division of opinion it was considered necessary to arrive at a proper conclusion in the matter.

Mr. Argue: May I ask the hon. member a question? Does he know that the premier of Saskatchewan is prepared immediately to sign an agreement that the dam be proceeded with?

Mr. Larson: I am speaking of what happened in 1949, in private conversation with the premier of that province. As a result the Hogg commission was appointed and produced a report in which it did not negate the benefits of the project. Its main point was that the costs were so high as not to be economically sound.

A second point of confusion has been introduced into this matter. At the present time the people of Canada do not know whom to believe, and many members in the House of Commons are in the same position. During the debate many members from other parts of Canada have risen and said that while in principle they support the project, they do not know exactly what the present position is in respect of these varying and conflicting reports.

On top of this it is suggested that we should have a free vote. While I am not well versed in constitutional law, I do not see how the Prime Minister could have a free vote in the matter. The amendment is a vote of lack of confidence, and one either votes for or against the government. I feel this government is the only one that will ever build the project, if it is built; so I do not see why one should vote against it on this occasion.

I do not see what the advantage of a free vote would be, other than that a certain segment of members would vote to build the dam while another segment would vote against it. In my opinion the expression of opinion in the house this afternoon would indicate that such a motion could be lost, and if it were lost it would drive another spike into any possibility of success in the venture, so far as building the dam is concerned, and thus negate the whole proposal.

I do not see anything to be gained by the kind of vote suggested by the hon. member for Lake Centre. I think this afternoon we have done that which was absolutely necessary. As was pointed out by the Minister of Agriculture, the confusion that now exists has not had time to be cleared up. In my view this whole discussion is premature, and the investigation suggested this afternoon should have taken place before this debate. The confusion that has developed in respect of figures, and other matters now beclouding the issue, should be resolved.

After the investigation has been made—and I hope it does not take too long—we will have arrived at the proper time to carry on our discussions and make decisions in the matter.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I shall detain the house for only a moment or two, but I am bound to say a few words in view of the remarks of the hon. member for Vancouver South (Mr. Laing).

I have listened with interest throughout the debate, and feel it has been a most unusual one. We have heard lectures on Canadian unity; we have heard the suggestion by the hon. member for Maple Creek (Mr. Studer) that thirteen members of the cabinet should be placed in limbo, and we have had other Liberal members from Saskatchewan stating that this subject is being treated as a political football. I have noticed, however, that they have been kicking the football around very gingerly.

I have risen particularly to refer to the remarks of the hon. member for Charlotte (Mr. Stuart), I am sorry he is not now in his seat. I am always interested in listening to what he says because usually his observations are valuable. I believe he is a sincere member of the House of Commons. However, on occasions when he gets going under the full sail of his enthusiasm he goes a bit off course, especially when he deals with subjects such as smuggling and free votes in the House of Commons.

When the hon. member was speaking I asked him a question, when he had observed that so far as he was concerned he knew of nothing but free votes in the house. I drew his attention to the fact that in August of 1946 the Minister of Trade and Commerce (Mr. Howe) said, as reported at page 5431 of *Hansard*:

> Nevertheless the government has no objection to an expression of opinion from the members of the house. I suggest that the vote should be a free expression regardless of party.

That statement was made in the debate on the milk subsidy. I questioned the hon. member because I thought the statement made at that time by the minister indicated clearly that there are votes which are not free expressions of opinions of members in the house.

The hon. member replied to my question with some ambiguity and, if I heard him correctly, stated, "I never heard of anything but a free vote. I voted"—and he was referring to this milk subsidy—"as I saw fit". Let

me draw the attention of the house to the fact that, according to *Hansard* of that date, August 27, 1946, the hon. member did not vote at all. I suppose he showed this usual independence and freedom of expression in not being present when the vote was called because even with a free vote there might have been some irritation on the government benches.

I am not personally acquainted with the area under discussion, with its physical features and the problems which must be solved. When it comes to a vote on this amendment I must base my decision upon what I have heard during this debate. I have heard all members from Saskatchewan in all parties suggest that this project should be proceeded with. I think if the Minister of Agriculture (Mr. Gardiner) really told the house what he thought he would say that the government should proceed with this project.

That does not necessarily mean the government is restricted to proceeding in this way or that way. I think the whole tenor of the debate has been that the people of Saskatchewan throughout the years have been led to believe that some action was going to be taken in this respect by the government. In speaking in favour of the amendment I am not going into details or suggesting that it should be done exactly in this way or in that way. We want to see the government satisfy the people of Saskatchewan by taking some action in this respect. Even though that action is limited action, it should be indicated by an item in the estimates.

This amendment simply states that there is no provision in the estimates for the building or the commencing of the South Saskatchewan river dam. Surely that is a most reasonable proposal. If all hon. members from Saskatchewan voted in favour of the amendment there would be no danger of the government being defeated. Therefore I shall support the amendment, because I believe the people of Saskatchewan have this action coming to them.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, the hon. member for Kootenay West (Mr. Herridge) said he was going to reply to the hon. member for Vancouver South (Mr. Laing).

Mr. Herridge: Pardon me, on a point of order; as usual, the hon. member for Springfield has misunderstood what is being said in the house. I said that I was moved to speak by the hon. member for Vancouver South speaking previously.

Mr. Sinnott: I accept the humble apology of the hon. member. It is quite evident that he has retracted what he indicated was his intention when he got up.

Mr. Knowles: How far off can a member get?

Mr. Sinnott: You should know. I do not intend to take very long speaking on this matter as I know hon. members are anxious to have a vote on the main amendment moved by the hon. member for Lake Centre (Mr. Diefenbaker). It comes to my mind that a serious attempt is being made by the Conservative and C.C.F. parties to force the government to say that they are going to go ahead with the building of this South Saskatchewan dam regardless of whether it is feasible. There are good reasons behind their attitude which I shall divulge in a minute or two.

We all know that only a few days ago a terrible disaster struck in Holland. Dikes which had been constructed for centuries were torn down by a terrific storm and people by the thousands were drowned. I believe the government of today is much concerned about a similar thing happening to the city of Saskatoon. I am not an engineer myself, but I think I can rely on the experience of the hon. member for York West (Mr. Adamson). If you are going to have a wall of water 190 feet high you must have a very good base to hold back that water. Every precaution must be taken before a project of this kind is taken on.

I imagine that in Holland they had the services of the best engineers in the country; nevertheless disaster overtook them. We must see that everything possible is done before this undertaking is started. I suggest that a committee of this house be set up with power to call engineers from different countries who have had experience in the building of similar dams. This afternoon the hon. member for Maple Creek (Mr. Studer) told us of what had been accomplished in different countries by irrigation projects. It seems to me that before $100 million or $150 million, whatever the amount is, is spent, another few hundred dollars should be spent to bring engineers to this country who have had experience in this sort of thing.

There was a whisper on the wind some months ago that the Conservative party was looking for a new leader.

Mr. Herridge: Why don't you apply?

Mr. Sinnott: I am more concerned that the rumour or the whisper on the wind that was going around seems to be true, because over the waves of the radio today we heard that

this great member for Lake Centre is going to abandon Saskatchewan and seek a seat in Toronto. It is quite evident that his motive in moving the amendment in connection with the South Saskatchewan dam—

Some hon. Members: Order.

An hon. Member: Where are you going to run?

An hon. Member: You are out of a job.

Mr. Deputy Speaker: The remarks of the hon. member are not relevant to the amendment now before the house.

Mr. Sinnott: Thank you. 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. Sinnott: Mr. Speaker, before the dinner adjournment I made the statement that the official opposition and the C.C.F. party were making a determined attempt to force the government to construct a dam on the South Saskatchewan river. I should like to read a short paragraph to be found at page 23 of the commission's report in the section dealing with recommendations and general considerations. It shows the magnitude of the construction that is required. Paragraph 52 reads as follows:

> The four large earth structures—the main dam, the Coteau creek dam, the third meridian dam and the railway crossing—would require a total of 57,500,000 cubic yards of material, most of which can be obtained in the vicinity. The dam would be 205 feet high with a crest length of more than 8,000 feet from bank to bank. It would impound about 8 million acre-feet of water, of which 2,650,000 acre-feet would be live, or useful storage. The reservoir would extend 140 miles upstream on the South Saskatchewan river and thirty miles down the Qu'Appelle river valley to the third meridian. The reservoir would have a surface area of 116,000 acres and a shoreline of almost 500 miles. It would inundate about 70,000 acres of land of which 11 per cent is under cultivation.

To say the least, Mr. Speaker, that is a considerable undertaking. I hear the hon. member for Assiniboia (Mr. Argue) laughing. To him it is a laughing matter—

Mr. Argue: I was laughing at you.

Mr. Sinnott: To him it is a laughing matter if he can get the government of the country to spend $150 million which would not serve a useful purpose.

Mr. Argue: As long as it was on the dam it would be all right.

Mr. Sinnott: So far as I am able to gather, the dam would not be of very much value to the hon. member for Assiniboia. The only value he is getting out of it is a little bit of political value. It would not make any difference whether the country spent three or four billion dollars as long as he was elected in his constituency. That is all he is worried about. I am going to ask him a sincere question. From his own standpoint as the operator of a farm, does he take the advice of men with practical experience or does he just throw their advice to the winds in the same way that he wanted to throw all copies of the report of the commission into the South Saskatchewan river? It does not make a particle of difference to him whether or not the project is economically sound.

I hope the government will consider seriously a suggestion I should like to put forward. I suggest that a committee of this house be set up to hear further recommendations and to call for persons who have had experience in building such dams in other countries. I am sure that the experience of men who have built such projects in other countries cannot help but be of value to us and at the same time, if it is at all possible to build the dam, it would pave the way toward doing that at an early date. We would also be sure of what we were doing.

As I said before dinner, not very long ago there was a terrific storm which smashed dikes in several places in the countries of Holland and England. I am told these dikes were not more than 40 feet high, but in the paragraph of the report which I quoted it is pointed out that in one place the dam will be 205 feet high. It will certainly require a solid structure and much engineering work to hold back that amount of water. I suggest to the hon. member for Assiniboia that if he has any respect for the dollars of the people of Canada, if he has any respect for the people who reside in Saskatoon, he will agree with me when I say that if the dam is built every possible step must be taken to make sure that the same conditions will not be created that were brought about in Europe a little while ago, which resulted in the drowning of several hundred people.

I am given to understand that the proposed dam will be about 60 miles almost directly south of Saskatoon. If that wall of water should be let loose we all know what would happen to the people of that city. Therefore the government or whoever builds the dam will have to be very careful that the dam is sound in structure, and make sure before starting that it is economically possible.

Mr. Argue: What did the P.F.R.A. engineers say?

Mr. O. L. Jones (Yale): Mr. Speaker, before the dinner recess I listened with interest to the hon. member for Vancouver South (Mr. Laing) discussing this project. He mentioned that as the member for Yale I could tell the house something about irrigation. However, I am afraid from the statements he made that he arrived at the wrong conclusion. As the member for Yale, which is an area possibly more advanced in irrigation than any other part of North America, I can say from my own experience that I think the South Saskatchewan river project should be proceeded with regardless of the cost. I say that because my memory goes back 30 years to the time we faced a similar problem of whether or not to go ahead with an irrigation scheme. I remember well that some papers opposed the scheme. They said it was impractical and that the cost would be too great. They said that a cost of up to $30 an acre for irrigation would break the farmers.

Looking back over those 30 years I well remember the type of land that was involved, covered with sagebrush and in some cases not even capable of sustaining that sagebrush. It was being sold or offered for sale for $5 an acre. A lot of it was bought at that price and some at $10 or $15 an acre. Last summer I was in that same district. It has been irrigated now for about 20 or 25 years. Orchards with young trees on land that was formerly worth only $5 or $10 an acre are selling at $2,000 an acre. That has all been brought about by the application of natural water to good land.

The same condition prevails in the area of the Palliser triangle. I believe that if good water can be applied to that land at a reasonable figure the same success can be achieved. I know that in some cases our irrigation cost ran from $15 to $25 an acre, which may be considered high. But as the hon. member for Vancouver South (Mr. Laing) pointed out, the average income per acre on our land is $1,000, so we could well pay that cost. However, if the crops on the prairie are not so lucrative or do not return such a high figure, I claim that alfalfa, beets and crops of that type could very well bear the cost of the figures stated here today, $6 or $7 an acre.

I am satisfied that this scheme would well repay the government in five, ten or twenty years. As it is that life-giving water, that wonderful stream is emptying itself into the ocean and is of no value. You cannot recover next year or in twenty years what you miss this year. It is a matter of taking steps immediately to apply that water to the land to make the central part of Saskatchewan a prosperous area, giving those farmers who are now applying to leave the district an opportunity to make a livelihood.

I am speaking now from real experience because I have seen worse land, covered with sagebrush, brought into production and bearing crops second to none on the North American continent. I heartily approve of the scheme, and I would like to point out that practically every member from British Columbia, knowing the experience we have had, would give full support to any steps the government care to take to implement this scheme.

I realize that the cost is great and that the government hesitates on that account, possibly because of the fear of repercussions from the rest of Canada; but I can assure them that as far as British Columbia is concerned we will give full support to any scheme the government may deem fit and proper, and that it would be prepared to undertake.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I intend to take only a very few minutes—

Some hon. Members: Hear, hear.

An hon. Member: I don't believe it.

Mr. Knowles: I have found that is one way of getting applause, by making that announcement.

Mr. Speaker: Order.

Mr. Knowles: My purpose in rising at this time is to make one more appeal to the government to follow the course which would make it unnecessary to divide the house on this amendment. It is not my amendment; it was moved by the hon. member for Lake Centre (Mr. Diefenbaker), but I believe it should be passed. During the course of the discussion it has been made clear that there is support for the substance of this amendment in all parts of the house and in all parts of Canada. I feel that the government would be well advised, despite the wrangling debate we have had during the two or three days this matter has been under discussion, to decide now to accept the amendment, let it pass, and then move again that we go into committee of supply and get on with the business of the house.

Several of us, Mr. Speaker, have made reference during the course of this debate to the incident of August, 1946, when a free vote was permitted on an amendment to a motion to go into supply.

Mr. George: What is a free vote?

Mr. Knowles: My hon. friend from Westmorland (Mr. George) wants to know what a free vote is. I ask him to consult the Minister

of Trade and Commerce (Mr. Howe) who, on that occasion, announced to the house that it was the wish of the government that the vote on that occasion be a free vote. I may tell him, since he was not here on that occasion, that the result of that announcement that it was a free vote was that some Liberals voted one way and some voted the other, and the final result was that the amendment carried. Nevertheless the government was not defeated. It was not a vote of confidence or of non-confidence because the minister, speaking on behalf of the government, had stated that it would not be so treated.

Mr. Speaker, I had not intended to review again the circumstances surrounding what happened in 1946 but for the interjection that came a moment ago. Rather I rose to remind the house of what happened more recently, namely on June 12, 1951. On that occasion when the motion that the house go into committee of supply was made, as is so often the case, by our genial friend the Minister of Public Works (Mr. Fournier), the Leader of the Opposition (Mr. Drew) moved an amendment. It was an amendment which had to do with a proposal that a select committee be set up to consider the rules of this house. It was an amendment preceded by the usual preamble:

> That all the words after the word "that" to the end of the question be struck out and that the following be substituted therefor:

Immediately after the Leader of the Opposition spoke to that amendment, a speech that occupied about four pages of *Hansard*, the Prime Minister (Mr. St. Laurent) rose and said, as reported at page 3966 of *Hansard* of June 12, 1951:

> Mr. Speaker, the government, and I am sure most members, if not all members of the house, welcome at least the substance of the amendment moved by the Leader of the Opposition (Mr. Drew).

The Prime Minister went on to say:

> Before declaring expressly that we should be glad to accept it, I should like to see the exact language that is used.

Then about a page further on the Prime Minister said:

> I have now had an opportunity of reading the language of the motion submitted by the Leader of the Opposition. I take it that the Leader of the Opposition does not intend this motion as one of no confidence in the government.

Then *Hansard* records this line:

> Mr. Drew: Oh, no.

Thus, Mr. Speaker, it having been made clear on that occasion that it was not intended by the Leader of the Opposition that that motion was to be regarded as one of non-confidence in the government, the Prime Minister in the name of the government accepted the motion. So, after a few more members had spoken, we find on page 3971 of *Hansard* of that same date this notation:

> Amendment (Mr. Drew) agreed to.

Mr. Speaker, the government did not fall. It had already been made clear on both sides that this was not a motion of non-confidence, that this was something concerning which there was general agreement throughout the house. Instead of the government falling, *Hansard* goes on to say:

> Hon. Alphonse Fournier (Minister of Public Works): I move that this house do immediately resolve itself into committee of supply.
>
> Motion agreed to.
>
> Mr. Fournier (Hull): I move that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of supply.

After a bit of debate that motion was carried. We went into supply and went on with the business of the house.

Now, I submit, Mr. Speaker, that although there is one difference between that situation and this, there is also an element of great similarity. The difference is that on that occasion the debate was quite harmonious and on this occasion there has been a fair amount of acrimony. But the similarity is also there, namely on that occasion it was pointed out from both sides that there was general agreement on what was asked for in the amendment of the Leader of the Opposition.

The same thing holds true now. There is agreement in all parts of the house. There is agreement on the part of members representing all parts of Canada that we want this project gone ahead with, that we want the dam on the South Saskatchewan river to be built. It has also been made clear by the hon. member for Lake Centre, who moved the amendment, that he does not desire it to be regarded as a motion of non-confidence in the government. He desires rather that it should be treated as an amendment dealing with the subject matter of that amendment itself, and that the question of confidence in the government and the right of the government to go into supply be dealt with immediately thereafter.

So, Mr. Speaker, my purpose in rising is to express the hope that the Prime Minister will at this stage catch the mood of the house, as it were, and realize that there is support in all parts of the house for—and I quote his words of June 12, 1951—

> —at least the substance of the amendment moved by—

—the opposition. If he would be prepared to do that, obviously the house need not be divided. The amendment can be accepted and it can be, thereby, an expression of

opinion by the house in favour of the substance of the amendment, in favour of going ahead with the South Saskatchewan project. Immediately after that has been dealt with in that way the Minister of Public Works can get up again, as he did on June 12, 1951, and move that we then go into committee of supply.

Now, Mr. Speaker, it seems to me that members and supporters of the government cannot have it both ways. On June 12, 1951, they claimed that if there was something upon which they were all agreed, it could be treated as a motion that was not a want of confidence motion. But today, in February, 1953, they try to claim that a similar motion must be regarded as a want of confidence motion. If the government insists, Mr. Speaker, in regarding this as a motion of non-confidence, in the light of that precedent of June 12, 1951, it simply means the government is really against the immediate construction of the dam as requested in the amendment that is now before the house.

I submit that any attempt on the part of Liberals, such as we have had during the course of this debate, to find an excuse for voting against this amendment on the ground it has something to do with confidence, is put out of court by the precedent to which I have referred on June 12, 1951. I made an appeal yesterday to the backbenchers on the Liberal side to ask for a free vote such as we had in August, 1946. They have not seen fit to do that, so the possibility of such a free vote being announced is, I take it, rather slim.

Therefore, since that course has not been followed, I now make this appeal to the government, that they treat this subject in the same way as they treated the question of a committee on the rules in 1951. It is a different matter, I know. The scope of this motion may be much greater; but there is this similarity, that on that occasion we were all agreed and so the motion was allowed to pass. On this occasion we are all agreed, so the amendment should be allowed to pass so the house can express its general support of this proposition and get on with the business of going into supply.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Argue
Balcer
Beyerstein
Black (Cumberland)
Blackmore
Blair
Bryce
Cardiff
Casselman
Catherwood
Charlton
Churchill
Courtemanche
Coyle
Diefenbaker
Drew
Fair
Ferguson
Fleming
Fulton
Graydon
Green
Hansell
Harkness
Hees
Herridge
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Low
MacInnis
MacLean (Queens)
McGregor
McLure
Montgomery
Murphy
Nickle
Noseworthy
Nowlan
Pearkes
Poulin
Quelch
Robichaud
Ross (Souris)
Shaw
Spence
Stanfield
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
Wright
Wylie—58.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Bater
Beaudoin
Benidickson
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bradette
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron
Campney
Cardin
Carroll
Carter
Cauchon
Cavers
Cleaver
Cloutier
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Croll
Deslieres
Dewar
Dickey
Dumas
Eyre
Ferrie
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gingras
Goode
Gour (Russell)
Gregg
Harrison
Healy
Hellyer
Hetland
Hunter
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrançois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCann
McCulloch
McCusker
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
McWilliam
Major
Masse
Monette
Murray (Oxford)
Mutch
Nixon
Parent
Pearson

Picard	Smith (Queens-Shelburne)
Pinard	Smith (York North)
Power	Stick
Proudfoot	Stuart (Charlotte)
Riley	Tremblay
Rochefort	Valois
Rooney	Ward
Ross (Hamilton East)	Weir
Rousseau	Welbourn
St. Laurent	Whiteside
Schneider	Whitman
Simmons	Winkler
Sinnott	Wood—123.
Smith (Moose Mountain)	

(Translation):

Mr. Gagnon: Mr. Speaker, I was paired with the hon. member for Temiscouata (Mr. Pouliot). Had I voted, I would have voted for the amendment.

(Text):

SUGAR—AGREEMENT BETWEEN CANADA AND CUBA

Mr. J. W. Murphy (Lambton West): I rise because of the emergency now facing the sugar beet growers not only in Ontario but in the three provinces of Alberta, Manitoba and Quebec. Another reason for my rising tonight is the recent announcement of the Minister of Trade and Commerce (Mr. Howe) at Havana, Cuba, within the last few days, as reported in the press. I shall quote briefly from the press report, as follows:

> Right Hon. C. D. Howe, Canada's trade minister, said yesterday that Canada and Cuba may be able to work out a new sugar agreement when the current one expires soon, but it would have to be one based on an understanding of "our respective problems and difficulties."

The main point there is the fact that this sugar agreement between Canada and Cuba does not expire until the end of this year, and unless an agreement is arranged between these two countries on a satisfactory basis now there will be no sugar beets grown in any province of Canada, nor will there be any refinery operating in Canada this year.

That is the reason for the urgent endeavour to again present this matter which concerns so many people in Canada, not only the sugar beet growers but also the people in the cities, towns and villages, as well as new immigrants who have come to this country and got their start in the sugar beet fields with a hope of continuing in that line of work in the future.

In order that we might bring this matter up to date, without going into too long a review I would say that in May of 1951 Canada and Cuba entered into an agreement whereby Canada was to take 75,000 tons of raw sugar a year for the years 1951, 1952 and 1953, and in return Cuba was to take more seed potatoes, wheat flour and codfish. I think it is fair to say that every member in the House of Commons desires to promote trade with other countries; but I do not think it would be the wish of anyone in the house that we should enter into an arrangement of this nature which would prejudice people in our country, or in the country with whom we are dealing.

The month of February is now one-third over, and we know that farmers across Canada who plan producing sugar beets in the coming season are wondering whether they should buy fertilizer and sugar beet seed, and whether they should sign contracts with the processors for the production of sugar beets. I have been in several sugar beet producing areas and they are very much upset, particularly in the last few days, as a result of this announcement; because since the agreement was entered into between this country and Cuba we find that, for the first time since 1931 or 1932, Cuba delivered to the Canadian market in the first eleven months of last year slightly more than 31 million pounds of refined sugar.

I wish to be fair by stating that I do not think it was the intention of this government or of officials in the Department of Trade and Commerce, when they entered into an agreement with Cuba to take 75,000 tons of raw sugar, that we would be subjected to importations of such enormous amounts of refined sugar. True enough, as I pointed out when I spoke a few days after the opening of the session in November, the department had been warned by the growers' association in 1948 and 1949 that as soon as the sugar control was over the growers might be subjected to pressure from Cuba, especially if, by chance, there was overproduction in that country.

It is a matter of record that in 1952 Cuba had a record crop of about 8 million tons of sugar. As we know, she is the greatest sugar-producing country in the world, and her record crop in that year placed her in a position where she wanted to get rid of her surplus. While for the current year her quota has been set back to some 5,500,000 tons, nevertheless there is enough held over from 1952 to stand as a threat to this country by reason of the fact that at the moment there is nothing to prevent her shipping refined sugar into Canada.

I think we must regard the agreement as one that was entered into in good faith. True enough there have been people throughout Canada who have said that our government blundered and that the sugar beet growers were sold down the river. Let me say here that the sugar beet growers of this country, in an industry now 52 or 53 years old, have not had the tariff changed on sugar since about 1922 or 1923. Since that time the two old parties have been in power, and seven

parliaments have come and gone without any change in that tariff. So there may be some reasonable excuse in the minds of those who negotiated the agreement with Cuba for overlooking the possibility that Cuba, facing a crisis in her country because of that overproduction, would endeavour to find an outlet for that production in Canada.

The situation we find today is that Cuba finds in Canada a potential market for refined sugar. Let there be no mistake about that. I still say that when the agreement was entered into I think it was done in good faith. It was a contract between two countries. In order to stimulate trade we agreed to take 75,000 tons of raw sugar, and that was a new market for Cuba. She was very anxious indeed to obtain an outlet in Canada for her crop, and we were in the position that we wanted to expand our trade not only with Cuba but with other countries.

We must look at the problem in true perspective. I am not one who advocates tariffs, or high trade walls. I think hon. members will agree with me that in these days it is necessary for governments in different countries to negotiate trade agreements around the conference table. We have seen the United States avail herself of provisions which to our minds are not fair and which, as a matter of fact, have been unfair to Canada. I say one way to come to a satisfactory agreement with Cuba or with any other country is by the officials of Canada and that country sitting around a conference table and entering into a contract that will not prejudice the farmers and producers of either country.

Here we find an industry that has stood on its feet for 52 years. It has faced two crises and is now facing a third. The first was in the thirties when Cuba was shipping into Canada about 40 million pounds of sugar a year. The next crisis was when we were at war. Because of the small production of sugar beets in Ontario at that time the leader of this party, who was then premier of Ontario, gave the sugar beet growers in that province three-quarters of a million dollars in order that Canadians might have a little larger sugar ration. During that time boats loaded with sugar were sunk off our shores, but the sugar beet industry overcame that particular crisis and made a terrific contribution during that war.

I contend that we should never put ourselves in the position, whether we are in a cold or hot war, where we must depend upon any foreign country for our supplies of a necessity such as sugar. It should never be the policy of any government to crucify or sell any industry down the river. I said in November, and I say it again, that when you crucify any segment of our primary producers it affects the economy of the whole country.

This industry has meant a great deal to this country in many ways. It has established many new Canadians and has room for more. I do not want any member in this house to say that we are at the limit of our production. Our refineries are efficient and are capable of refining more sugar than is grown in Canada today. Just offhand I would say that the modern refineries in this country—one of the most modern in the world is in Alberta; the ones in Chatham are older but are quite efficient—have a capacity of about one-third more than is now being produced.

This is the crucial time for sugar beet growers in every province throughout Canada because they must plan ahead. They cannot wait until the end of this agreement, until the end of 1953; they cannot wait until March. If they are going to put in sugar beets this year in any province they must make their contracts now. They have not made those contracts with the processors. I say tonight that because of the agreement with Cuba, as far as these contracts are concerned there will not be any sugar beets grown in Canada nor will there be a refinery operating in this country.

Last fall just before navigation closed some 30 million pounds of refined sugar came into Canada. Between January 19 and January 26 some million and a quarter pounds entered London and Toronto, the markets usually supplied by the processors in Chatham and Wallaceburg.

I do not want to be provincial in this matter, but I am concerned about the people in Ontario. There are nine counties representing some 12 or 14 ridings in Ontario where sugar beets are produced. The farmers have a huge investment. They have equipment and machinery which is good for nothing else but sugar beet growing. If they cannot be assured of some reasonable market for their product they will not grow sugar beets and then we might well be dependent upon some foreign country for our requirements.

I want to make it plain that we in this country over the years have taken raw sugar from empire countries, and a certain amount from other countries as well. We entered into a contract with Cuba in good faith and then we find Cuba selling not only the quota provided for, but unloading on the Ontario market some 30 million pounds. Just as soon as navigation opens Cuba will make

more sugar available and ships will be going to the head of the lakes and the western market will be flooded.

We know that today enough sugar beets are produced in Manitoba and Alberta to nearly take care of the requirements of Canada west of the great lakes. There will not be a sugar beet grown west of the great lakes unless we come to an agreement now. We cannot wait until March or April, much less until next year, as that disturbing article seems to indicate to the people of this country.

Cuba was quite aware of what she was doing. She is not averse to protecting her own economy. I saw an article which appeared in a Cuban newspaper commenting upon the speech I made in November. The important part of the whole speech as far as I was concerned was the determination by that country to consolidate her gain. I said in November that Cuba's refining capacity was sufficient to supply Canada's needs twice over.

We want to be fair with Cuba. We are ready to tell Cuba tomorrow that we will take her raw sugar in any quantity that is fair and reasonable, but if her refined sugar is sent in our primary producers will be crucified and sold down the river. I think Cuba entered into the agreement in good faith, but found a way out. She found a vulnerable market in Canada. Most of her production goes to the United States.

Let me say here that we have increased our exports to Cuba of some articles in short supply, including copper. We must remember that today the United States has a huge rearmament program. She has an entrée into Cuba that no other country in the world has because of her preference duty. Cuba supplies the United States with about half of her production of sugar. She also supplies some refined sugar, but both the refined and the raw are on a quota basis. There is no misunderstanding about the arrangement between the United States and Cuba. She ships in her refined and she ships in her raw sugar, but the growers and processors in the United States know how much is going to come in from Cuba each year.

Let us emphasize the fact that last year Cuba had a record crop. We must recognize also that she wanted to get rid of that crop. She wanted to sell it for dollars; she did not want to sell it for sterling. Canada was the vulnerable market, and she got in here. I do not for one minute suggest that we should avail ourselves of tariff protection. I want to emphasize and I want hon. members to understand that I think the way to increase trade between nations today is for the responsible people in various governments to sit around the conference table and negotiate trade agreements. Let it be done in no other way.

We want to expand our trade. I am happy the Minister of Trade and Commerce (Mr. Howe) is making a trip to South America. We want to expand our trade with those countries. They have many products that we need. In our great industrial development we can use many tropical and semi-tropical products. It is quite apparent that our trade with many of these countries has increased a great deal. We are on the eve of a great industrial development in this country, greater perhaps than we have ever dreamed of. We will require many of the products of these tropical and semi-tropical countries.

There is no reason in the world why Cuba should not sit down at the conference table, because she did turn over 75,000 tons of sugar a year for three years. We did not take it all in 1951, but what we did not take in that year we took in 1952. In addition we took in refined sugar in 1952. As I see it, the picture that is developing is most dangerous. The minute navigation opens there will be boatloads of Cuban sugar coming into Montreal and great lakes ports, and the refineries in the maritimes, Montreal, Ontario, Manitoba and Alberta, will not open their doors this fall.

I think it is time there should be some understanding and some assurance given by the government rather than Liberal members going around the country and saying "What is 2 per cent? The amount we get from Cuba is only 2 per cent of our requirements." It is true enough that the amount of refined sugar that came into Canada from Cuba is 2 per cent of our requirements. The hon. member for Lambton-Kent (Mr. MacKenzie), the hon. member for Kent, Ont. (Mr. Huffman) and the hon. member for Middlesex West (Mr. McCubbin) have all said in speaking to various growers in the different areas that it is only a small detail, that it is only 2 per cent of our requirements.

It is only 2 per cent per capita, but that 2 per cent comes into the Ontario market where we have been shipping our own product from the refineries in Wallaceburg and Chatham. We know today for a fact that the big buyers of these products from these two refineries have told the processors that they will not want their product again unless there is a strike or a war. That is the situation in which we find ourselves, and that is the situation that is going to be found all across Canada. It is not enough for private

members to go around making statements. This is a matter for government deliberation, and now.

By the end of this month these farmers will want to know whether or not they should prepare their soil and make contracts for sugar beets. The people with whom I have come in contact are determined that they are not going to grow sugar beets until there is some assurance that there will be a reasonable market. They have competed over all these years. They have competed with sugar at $3 and some odd cents a hundred f.o.b. Montreal. They have competed when it was $10.50 f.o.b. Montreal. They have competed against raw sugar from any country in the world, but they are not in a position to compete with refined sugar. When it means crucifying that industry why should that be expected?

We can make a fair contract with Cuba by taking raw sugar. Cuba says it does not want our flour, that it will take our wheat and refine it. We say to Cuba: All right, we too have the capacity to refine sugar. You keep your refined sugar and send us the raw. It has been suggested that if necessary we should take an extra 15,000 or 20,000 tons of raw sugar. All well and good. Let the agreement be signed, but signed now. We cannot afford to wait. What is disturbing to some of the growers are the statements that have been made by some members who have been belittling their efforts and who probably do not realize the situation in which the growers find themselves. Some have said that all this protest is promoted by someone else.

After I spoke the last time I think it was the hon. member for Lambton-Kent who was kind enough to say that Cuba surely had lots of sugar and had such a tremendous crop that it tried to unload a few boatloads in Canada. The few boatloads that were unloaded in Canada disturbed the sugar beet growers in these areas in western Ontario.

A great deal can be said on this subject. In the main I do not intend to repeat what I said last November because that speech was followed by several others that dealt quite effectively with the serious situation facing the primary producers of sugar. What disturbs the growers today is the uncertainty. They are more or less disappointed, and are on the brink of bankruptcy because they do not know what the policy of the government is. We have government spokesmen going around saying that the government is going to take care of them. That statement applies to the members to whom I referred a few moments ago. I should like to refer to an article that appeared in the Windsor *Daily Star* of February 6 dealing with certain remarks made by the hon. member for Lambton-Kent when speaking in the city of Sarnia. The hon. member is reported as saying:

> I know the present situation is unfortunate for the growers, but I don't know what the future holds.

The article continues as follows:

> If nothing can be accomplished, Mr. MacKenzie said, "I think we should try to tide the industry over, for we want to save the beet industry and we won't let it be thrown to the wolves."

The hon. member objected to my statement in November when I said that the industry was being sold down the river, but he does not mind saying that the industry is being thrown to the wolves. The article continues as follows:

> He pointed out that duty charged on the importation of refined sugar is $1.89 a hundredweight, plus, if such is the case, a dumping duty of 75 cents a hundredweight.

There is no dumping of Cuban sugar into Canada; let that be understood. I hope the press of this country will not again say that when the representatives of the industry were here in October to see government officials, they suggested there was dumping by Cuba. When the hon. member for Kent, Ont., spoke last fall he was dismayed at my reference to this statement, but I should like to refer him now to the Montreal *Gazette* of October 24. As a matter of fact, I think the report was in practically all papers in Canada as well as in the New York *Times* of that date and the day after. In fact it was in the New York paper before the deputation even arrived home. I want it understood without any doubt now that when the delegation came to Ottawa not one delegate referred to the dumping of Cuban sugar into Canada.

As we know, dumping means that Cuba would sell to Canada at a lesser price than she was selling for home consumption. Cuba today sells all her refined sugar through one single administrator, a quasi-government official, and there are three prices. Cuba sells in New York at 2 cents a pound or $2 a hundred more than the price at which they sell to Canada, and they have a lower price for their domestic consumption, which only amounts to about 2 or 3 per cent of their total production. Therefore we would never be in a position to impose any dumping duty.

But I say that is not the solution to the problem in any case. Many responsible people of the area of western Ontario about which I have been speaking have been members of the association for years. I can refer, for instance, to Eugene King of Kent county. I think he was president of the sugar beet growers' association. I can refer to Cameron

McTaggart, who is a director of the association. They say that the situation is alarming. These are responsible men. One is in the county of Kent and the other is in the county of Middlesex. Some of these people have grown sugar beets for 35 or 40 years. They say they have never faced such a crisis before.

They are hoping they will not lose their huge investments, and that their routine of producing sugar will be carried on without any interruption through government action or inaction. I have great respect for men like King, McTaggart and others who have followed the progress of this industry for the past 35 or 40 years. They are greatly disturbed.

I should like to refer now to an editorial in the Detroit *Free Press* of Monday, February 2. I think I expressed this idea in a different form a few months ago, but it sums it up. The editorial is on page 8 and carries the heading "National interest should determine tariff action". It reads in part as follows:

> At the same time this country—

The reference is to the United States.

> —would not be the gainer if industries vital to its security were sacrificed and we again became wholly dependent on foreign sources for critical goods.

Mr. Speaker, if I did not say anything else tonight and quoted only that paragraph it would be, after all is said and done, the gist of my argument here. Let us not sacrifice an industry that is so important to our economy, that may mean so much to us in the future as it does today. It may mean more in the event of a shooting war. We are in a position today where we can supply at least part of our requirements.

That being the case, Mr. Speaker, with the gradual development of our country, with the hope these people have for making a livelihood and making their contribution to Canada, let us not at this time through action or inaction, intentionally or otherwise, sacrifice an industry which has meant so much to the economy of this country.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I very much regret the fact that this discussion has been brought on by my hon. friend from Lambton West (Mr. Murphy). The agreement to which he has made reference is the only agreement I know of that has been made in the last few years under which we in the maritime provinces could look forward to any beneficial results. I believe that the New Brunswick members will agree with that statement, as will other maritime members.

This agreement was made by the minister and the government in the belief that it would provide some markets for salt fish. The hon. member for Lambton West mentioned that. It was to cover not only salt fish but included canned fish, potatoes, smoked fish and many other products of the maritimes. At that time we found it very difficult to obtain markets in other parts of the world. This scheme was arranged, and it has been of great benefit to our fishermen. In the northern part of the province, in that part which my hon. friend for Gloucester (Mr. Robichaud) comes from, there are a great many producers of salt cod. The same applies to Newfoundland, the same applies to Nova Scotia, and the same applies to Prince Edward Island. This scheme has been a great help.

Only a few months ago the hon. member who has spoken, and many of his colleagues who sit with him, were condemning this government for its lack of interest in so far as the cost of living was concerned. They said the government was not doing anything at all to try to stop the rise in the cost of living. I believe these same members must agree that the price of sugar today has dropped. Surely they are not advocating at this time that the consumers should pay $1.50 or $2 a hundred more in order to protect these few sugar beet growers. In other words, the hon. member for Lambton West has suggested that 2 per cent of the sugar consumed in Canada is all that is involved in this agreement.

Mr. Murphy: No, no, not in the agreement.

An hon. Member: The consumption.

Mr. Stuart (Charlotte): That is what I said, 2 per cent of the consumption of sugar in Canada. If 2 per cent of the sugar consumption in Canada is responsible for prosperity or otherwise in the maritime provinces, surely we should expect to receive some consideration. This agreement has been helpful to each and every maritime province. It has been an encouragement to the producers down there.

Mr. Murphy: On a point of order, I know the hon. member would not want the record to be left as he is giving it. I want to make it clear that we have never complained about the agreement for the 75,000 tons of raw sugar. What is disturbing the market today is refined sugar coming on it, and the likelihood of that sugar taking care of all of our requirements, which would thereby sacrifice and crucify our industry. The price of sugar is determined by the world sugar price in New York.

Mr. Stuart (Charlotte): I might add to that a suggestion of my own. If they can send refined sugar in here at prices lower than

we can refine it in Canada, then there is something wrong with our refineries at home.

Some hon. Members: Hear, hear.

Mr. Stuart (Charlotte): I believe, if you look into the situation, that a great deal of the difficulty lies with the refineries we have in the Dominion of Canada. They could sell a lot cheaper, and they will get the price down when they are forced to it; but so long as they get the protection which the hon. member for Lambton West would like to see they will take advantage of that protection and the consumers of this country will pay the bill.

Some hon. Members: Hear, hear.

Mr. Stuart (Charlotte): I am one who takes a pretty strong stand on this particular question, as members of the house know. I will make one other statement. During the last ten years this continent has pumped billions and billions of dollars into other countries to try to rehabilitate them, to put them into a position where they can stand on their own feet and live the way we believe people should live. Already there is the idea in this country of sticking up tariff walls. In other words, you give with one hand and take away with the other.

Well, I cannot subscribe to that kind of doctrine and I hope members of this government cannot be convinced that it is a proper course to follow. What we need in this country and in every democratic country in the world is a freer movement of goods back and forth between those countries. I want to suggest that if we ever hope or expect to have world peace in this world it will never be brought about by tariff walls. When you set one part of the world against another, and when one country says that its country must have protection, then it will hang itself.

I think we have to make it clear that if a business cannot stand on its own feet it should not exist. That might be a pretty broad statement, but if an industry cannot survive without subsidies, then there is something wrong. I realize that people in this sugar industry are very much concerned, and that they are very much interested in their own livelihood; but I wonder whether, if it were gone into carefully, we might not find that the answer to this problem does not lie with the sugar beet producers but rather with the manufacturers in our factories. I believe we are in a position in this country to refine sugar as cheaply as they can do it in Cuba. If that is not so, I would like to have some explanation why it costs more to refine sugar in this country than it does down there.

Again, I want to say that all the maritime provinces—and I will include Newfoundland because now we have four maritime provinces—as I have said on many occasions in this chamber, are most dependent on these American markets. Take them away from us and our economy is completely wrecked. The hon. member who just spoke used these words, and I jotted them down: "sold down the river"; "thrown to the wolves" and "crucified". We would be all three if these markets were taken from us.

Mr. Murphy: Your own member said "thrown to the wolves".

Mr. MacKenzie: On a question of privilege, I said this government did not want to see the beet industry thrown to the wolves.

Mr. Murphy: That is what I said.

Mr. MacKenzie: No, the hon. member for Lambton West said the sugar beet growers had been sold down the river, quite a different thing.

Mr. Stuart (Charlotte): I do not know just what description would fit but, as I said before, if this agreement were interfered with in any way it would certainly mean selling those in the maritime provinces down the river. We do not get very many subsidies down there, and we do not get very much financial assistance. We are quite an understanding people, and we try to stand on our own feet. We are willing to produce what we have to produce in competition with any part of the world. If we cannot produce fish as cheaply as someone else, then let us eat someone else's fish. If we cannot produce sugar as cheaply as we can buy it somewhere else, then let us give the consumer the advantage of cheaper living.

We have heard right in this chamber, and I have sat and listened to it day after day, that the government was inactive as far as the cost of living was concerned; but the very first time the consumer is able to buy a little cheaper there are hon. members on their feet wanting protection.

I had not intended saying very much when I got up tonight, but I could not refrain from saying what I have said and I hope that my friends from New Brunswick will do likewise. I see the hon. member for Victoria-Carleton (Mr. Montgomery) and the hon. member for Gloucester are both in their seats. Those counties are producers of potatoes which are sold to Cuba and other countries to the south of us. I do not believe those hon. members will get on their feet and support the suggestion made tonight by the hon. member for Lambton West. They talk about putting government members on the spot, and we

were supposed to have been put on the spot this afternoon; but I should like to see some of the New Brunswick members, who are in the same situation I am, get up and honestly express their feelings with regard to the agreement we have with Cuba.

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

Mr. Stuart (Charlotte): Certainly.

Mr. Murphy: Are you aware that two of your own members, the hon. member for Kent, Ont. (Mr. Huffman) and the hon. member for Lambton-Kent (Mr. MacKenzie) asked for quotas when they spoke?

Mr. Stuart (Charlotte): That is not a question, that is a statement, Mr. Speaker. So far as quotas are concerned—

Mr. Murphy: We would like to know what government policy is.

Mr. Stuart (Charlotte): —if we can buy sugar cheaper in Cuba than we can buy it somewhere else, why not give the Canadian consumer the advantage?

Mr. L. E. Cardiff (Huron North): I rise tonight, Mr. Speaker, because I am a producer and always have been. I am getting rather fed up with members getting up in this house and requesting that the primary producer bear the brunt of the burden in reducing the cost of living.

Mr. Stuart (Charlotte): Can it be done any other way?

Mr. Cardiff: That is all very well, but if you take profitable production away from the primary producer what are you going to have left? As soon as the primary producer cannot produce at a profit, then of course the manufacturer gets tied up. He cannot sell his goods and his labouring staff is cut. These employees are then sent back to the country, where a lot of them should have remained in the first place.

Mr. Laing: Let us hear you bring it down.

Mr. Cardiff: The hon. member for Vancouver South (Mr. Laing), following a speech by the hon. member for Lambton West (Mr. Murphy) last fall, got up in this house and said that the cost of living was coming down. At whose expense did it come down?

Mr. Gibson: He did a good job.

Mr. Cardiff: Who bore the brunt of that reduction in the cost of living? It was the primary producer who bore every cent of it. You believe that the burden of reducing the cost of living should be borne by the primary producer in this country.

[Mr. Stuart (Charlotte).]

Mr. Gibson: Lumber and fish are cheap.

Mr. Cardiff: I got my first training in a county council, and I am going to read you a resolution passed by the council of the county of Huron, of which I was a member. The resolution reads:

Resolution passed by the Huron county council in January session, January 23, 1953

The council of Huron county wishes to point out to the Canadian government that growers' returns for sugar beets and other payments made by the processors to factory and weigh station workmen, railways, truckers, etc., are a valuable source of revenue in the integrated economy of our community. In the last three years this industry has contributed, on the average, $11 million per year in southwestern Ontario.

Our urban and farmer citizens understand that the Ontario beet sugar industry which has thrived for half a century, will probably not operate next year unless some measures are adopted to stop the flood of foreign refined sugar which has deprived the Ontario made product of its traditional home markets of Toronto, Hamilton, Windsor.

Without the menace of foreign refined sugar, the domestic beet sugar industry heretofore has had a surge market within its own country. In these days of international instability this is the only market we can control. There has never been a surplus of beet sugar, and until now growers have been assured of a cash return for every ton of their crop harvested.

Besides the stability of this domestic industry, the part it played during food-short war years will never be forgotten. Ontario grown beet sugar was badly needed by Canadian consumers when submarines effectively stopped inbound boats carrying cane sugar from the tropics. The war emergency need for this domestic source of supply may occur again.

For these reasons, which are a few of many, we the council of Huron county unanimously beseech the government to take whatever steps are necessary in stopping foreign refined sugar produced by cheap native labour from ruining Ontario's beet sugar industry.

There is a resolution which comes from the county of Huron, one of the best counties in Ontario or the Dominion of Canada. I have another resolution which comes from the town of Exeter, so you can see that all the representations are not from the primary producers. These people realize that if the flow of money to the primary producer is cut off, then of course they suffer. There is no man, woman or child, I do not care where they live, who is not dependent entirely on the primary producer. Anyone who gets up in this house and says that the primary producer should bear the brunt of the reduction in the cost of living is just crazy.

Mr. Laing: You want 2 cents protection on sugar?

Mr. Cardiff: No, I just want a fair deal on sugar.

Mr. Laing: Tell us what it is; how much protection?

Mr. Cardiff: I shall tell you in a minute if you will keep quiet long enough. If the importation of Cuban refined sugar were stopped, Canada still would have excellent trade relations with Cuba on the basis of her raw sugar imports of 75,000 tons a year, without buying a single pound of refined sugar from Cuba. The current raw sugar concession to Cuba is a valuable one, as Cuba could not have sold one pound of raw sugar to Canadian refiners if the government, this government you are talking about, had not arranged to rebate to the refiners, at a cost to the public, a sufficient amount to equalize the laid-down cost of Cuban raw sugar with that of empire raw sugar which comes into Canada under preferential tariff rates. So it follows that our trade relations with Cuba could have been maintained on the basis of the 75,000 tons of raw sugar annually. Not one single pound of refined sugar from Cuba need enter Canada.

I have only about 300 growers in my section of the country, but I am sure the rest of the population in that section would not want those 300 growers to absorb the shock of the difference in the price the consumer would have to pay for sugar. There is no other industry that is in competition with the sugar beet industry. It does not interfere with anybody else. We only produce about 20 per cent or less than 25 per cent of the country's requirements. Sugar beets do not interfere with any other crop. Why penalize an industry that has flourished for the last 50 years for the sake of allowing Cuban refined sugar to enter this market? It will put these fellows out of business. I think it is ridiculous. I do not know whether anything can be done about it.

I introduce this subject now, but I hope it will not get into the same position as the Saskatchewan dam did during the last few days. The only reason I have spoken tonight was to help our friends on the government side of the house. I am trying to present a case in their favour.

Mr. Laing: Will the hon. member permit a question? Is he aware that Lethbridge, Alberta, which is the sugar centre of the west, pays the highest per capita income tax in the Dominion of Canada?

Mr. Cardiff: Why?

Mr. Laing: If I may be permitted to answer, Mr. Speaker, I think it may be because sugar is a very productive crop and a very profitable crop.

Mr. Cardiff: Did you ever grow sugar beets?

Mr. Laing: No; they do not grow in my area.

Mr. Cardiff: If you had to grow and take care of one-half acre of them, there would not be very many sugar beets grown. I have grown sugar beets. I know how much work is involved. It is for that reason I want to read you part of another resolution, a copy of which I received from some of our new Canadians. It reads as follows:

> We, the new Dutch and Belgian immigrant farmers who soon will become Canadian citizens of the parish of Parkhill, wish to tender our support to your government and particularly to the Hon. C. D. Howe, whom we hope and pray will intercede on our behalf when on his mission to the Cuban government, in order to give us some protection from the influx of Cuban refined white sugar which has been so detrimental to the beet sugar industry of Ontario, with a resultant drop in the price of beets to the producer.

These fellows came from Europe. They are hard workers. They are about the only labourers you can get to go into the sugar beet fields. Those of you who know anything about growing sugar beets know what a strenuous job it is. The job does not last for only a week or two. It starts as soon as the beets are ready to be thinned out. You have to get down almost on your hands and knees to thin them out, because they will not thrive if there are two in the one place. They have to be thinned out so that there is only one in the one spot. Then you have to keep the weeds out. It is a strenuous job all summer. Then you come to the fall, and if you happen to get a dry fall and good weather you do not have too much difficulty, but very often they have to take the sugar beets right out of the mud; they have to take them out of the snow, and under adverse conditions.

The growers of sugar beets are not interfering with anybody else, and the beets do not interfere with any other crop. Why the government would not protect the primary producer in this regard is something I cannot understand. It is typical of this government, of course. Perhaps I should not condemn them yet because the Minister of Trade and Commerce (Mr. Howe) has not returned. He may come back with a very favourable solution to the whole problem. I should not say that the Cubans have been sending in this sugar thoughtlessly. It has been coming in legitimately. They have paid the tariff on it, and we cannot very well stop it coming in. But surely there is some way of stopping it. I know that not so very long ago when shirts were dumped in this country by Japan that was quickly stopped. If the primary producers wanted a few of those shirts they could not buy them. It is terrible when the sugar producers want some protection for their commodity.

I do not intend to go over the ground that was covered by my good friend the hon. member for Lambton West (Mr. Murphy). Perhaps I have said enough about sugar. The fact remains that the sugar beet growers are not the only primary producers of this country who are being affected at the present time. There are the dairymen; they are primary producers, too. They have been having a tough time, due in part at least to the fact that cheap oils were allowed to come into Canada. Something should have been done about that before we lost all our markets. Last year our cheese men were almost put out of business because they could not sell any cheese, and we imported more cheese than we exported. We had tons of it here that we could not sell. I do not know what kind of policy that is.

I turn from there to the hog policy that we have had to work under for the last four or five years. We have not had a hog policy at all. If it was the policy of the government to put the hog producers out of business, they certainly made a good job of it.

Mr. Gardiner: Don't get too far afield from what you are talking about.

Mr. Cardiff: I should like to tell the minister a few of the things that are happening.

Mr. Gardiner: You are wrong in all of them.

Mr. Cardiff: I am not wrong in all of them. I am going to quote a few.

Mr. Gardiner: Pigs are 25 cents higher now than they were before Christmas.

Mr. Cardiff: Keep quiet and you might learn something. A year ago a primary producer of hogs in Ontario had 34 brood sows; today he has 12.

Mr. Gardiner: The way the price is going now he will wish he had them all back again.

Mr. Cardiff: If the price had gone the way you wanted it to go it would have been down to 23 cents.

Mr. Gardiner: No; I kept faith.

Mr. Cardiff: Then we have another hog grower out in Alberta who a year ago had 67 hogs. Today he has none. That is typical of what is happening all over the country. Let me take an example a little nearer home. Down in Quebec there are three parishes that took a survey a year ago, and I can name them.

Mr. Gardiner: I thought you were talking about sugar.

Mr. Cardiff: That is all right; I am talking about primary producers now. They had 364 sows in those parishes a year ago. They took a survey the other day and they had only 34 sows left. If you can tell me how we can get pork by acting in that way I shall be happy. Right now the shelves in the dealers' stores are almost empty of bacon. They cannot get enough bacon to supply the ordinary trade. They are having great difficulty. It will not be very long until we will be importing corn-fed hogs from the United States to satisfy our domestic market. If you call that a good hog policy, I do not. I do not think we have had a hog policy at all. As I said before, if it was a policy to put the producer out of business it certainly succeeded.

There are a few other things I wanted to say, but I do not think there is any necessity for me to carry on. I may tell the Minister of Agriculture something else. He was supposed to have put a floor under beef. He put a floor under beef at 26 cents.

Mr. Gardiner: What is the debate on, anyway?

Mr. Deputy Speaker: Order. I did not want to interrupt the hon. member. A moment ago he was talking about hogs. I must tell him that he must speak to the subject under discussion, because if he changes the subject, then some other hon. member might be prevented from discussing the sugar beet industry, which is the subject being discussed.

Mr. Blackmore: What about the hon. member for Charlotte?

Mr. Deputy Speaker: What he said related to the sugar beet agreements that were referred to by the hon. member who first introduced the subject. That is all the hon. member for Charlotte discussed. As long as the hon. member for Huron North was discussing the situation of the primary producer with reference to the sugar beet industry and related other matters, he was quite in order. I should like to suggest to him that if he gets further away from the subject he may find himself out of order.

Mr. Cardiff: If Your Honour decides that I cannot talk about the primary producer in any other industry than sugar beets, then I shall quit. I should like to tell the Minister of Agriculture just what effect his 26-cent floor under beef has had.

Mr. Gardiner: Do that on my estimates. Let us get into supply.

Mr. Cardiff: In the first place we lost 10 cents a pound directly on the beef. I asked the minister a question in the house one day as to what the floor constituted; was it on red brand beef or what was it on. He

said it was on a good steer, but a good steer would vary three or four cents a pound for that matter. But that is not what I started out to tell him. His floor under beef actually turned out to be a ceiling for the packers.

Mr. Deputy Speaker: Order. For the information of hon. members generally who may take part in the debate perhaps I should quote citation 345, which has reference to the debate that may take place on the motion to go into supply. It is the citation which says that a subject once introduced is the one that has to be debated until that matter is disposed of. If any hon. member introduces a new subject, then others who follow are prevented from discussing the one that was originally introduced. The last four or five lines of the citation read:

> Members may discuss various matters on the motion for the Speaker to leave the chair without any amendment being proposed; but once debate is stopped on one matter and another matter intervenes, members cannot again discuss the former.

Of course the hon. member for Huron North—and perhaps others—will say that he was discussing the former matter. I suppose he will have to submit himself to my interpretation and agree that the subject that was introduced was not the whole agricultural policy of the government, but the beet sugar situation at the moment. The hon. member may now continue.

Mr. Cardiff: All right; I will not refer to the Minister of Agriculture's floor on beef any more, because it was not a floor anyway. I should like to quote a few figures to show the money paid out annually to the farmers for sugar beets. It amounts to $5,500,000 a year.

Mr. Murphy: That is in Ontario.

Mr. Cardiff: Yes, and almost an equal amount for labour, material and supplies. The sugar beet industry is worth at least $11 million a year to the people of Ontario. Annually the farmers buy $220,000 worth of fertilizers and $100,000 worth of sugar beet machinery. If these men are put out of business all that machinery will be useless for anything else on those farms. It is entirely different from any other kind of farm equipment. Then, 32,000 acres of sugar beets are grown in Ontario each year. We have here an industry that has no worries from the standpoint of competition because, no matter how much they produce, we can absorb it.

It will be recalled by hon. members that during the war years sugar was rationed. If it had not been for the fact that we had some sugar refineries in Canada we would have had no sugar at all, because our supplies went to the bottom of the ocean. We were rationed because we had not sufficient in this country to go around. That condition could come again, and very soon, if this shooting war should ever develop. We know it could develop, and if it did we would be in the same position we were before. Our sugar industry would be lost, and we would have no sugar whatsoever.

For that reason I claim something should be done for the industry, if it is at all possible, to keep these sugar beet growers in business. They do not affect any other industry in this country; they are doing a good job for Canada, and we need their sugar.

Mr. H. A. MacKenzie (Lambton-Kent): Mr. Speaker, I feel I should make a few remarks in connection with the sugar beet situation, because the subject was introduced tonight by my good friend from Lambton West (Mr. Murphy). He made reference to the fact that while in Sarnia I had made some comments about sugar. I went up there the other night to make it a little easier for him politically, and I did make a brief reference to sugar.

The newspapers do not always quote one correctly, because I did not have notes to hand to the press. I was speaking more or less off the cuff, because I have always felt that I know something about sugar beets and the problems of sugar beet growers in this country. However, I feel more or less an amateur here tonight in listening to so many professionals who have spoken on the subject.

I did say in Sarnia that I was sure this government did not want to put any primary industry out of business. I said I was sure that the government did not want to see the sugar beet industry in Ontario thrown to the wolves. My good friend from Lambton West has said that I had said they were being thrown to the wolves. Well, I did not say that at all. The hon. member said in his speech that the sugar beet growers had been sold down the river; and when he refers to being sold down the river I assume he means through the trade agreement that was made with Cuba. I have said before and I say again—

Mr. Murphy: On a point of order, I am sure the hon. member would not want to leave a wrong impression on *Hansard*. I did not say they were sold down the river because of the agreement. I think I emphasized that it was because of the importation of refined sugar that they were being sold down the river.

Mr. MacKenzie: I would have to read the speech again to be sure, and I want to be

fair to the hon. member. However, I understood him to say that the agreement we had made with Cuba, whereby we take raw sugar, was the cause of our difficulty, through getting refined sugar. If I am wrong, then I am sorry.

The hon. member also made reference to the fact that at the conference which was held here last October between the growers, the refiners and officials of the Department of Trade and Commerce and the Department of Finance, the question of dumping was not discussed. He said that dumping was never mentioned at all. Well, the question of dumping was mentioned. No one said they were dumping sugar. All I said in Sarnia, and all I had said previously, was that the dumping duty is a potential protection, and that is all a dumping duty is for at any time. In some cases, if an article is selling in this country at a reasonable price and is not underselling the home market product, it is of course difficult to apply a dumping duty.

Again, reference has been made by the hon. member for Huron North (Mr. Cardiff) —who I am sure is as interested as I am in the sugar beet industry—to the fact that the government paid out of the consolidated revenue fund enough money to make up the difference between the cost of Cuban sugar, with duty, so that it would be the same as British empire sugar. Well, the fact of the matter is that British empire raw sugar or, to be more exact, United Kingdom sugar, comes in at a rate of approximately 29 or 30 cents a hundredweight. The duty on raw sugar coming in from Cuba is approximately $1 more per hundredweight. The British government, or British traders, are pretty shrewd dealers, and they take advantage of that extra protection from Cuba. The result is that they absorb 85 cents out of every dollar in the price of sugar bought from empire countries.

So what happens in connection with bringing in Cuban raw sugar is that the refiners bring the raw sugar in and pay $1 per hundredweight extra duty into the consolidated revenue fund, and the government has only to pay about 15 cents in order to have it cost the same as British empire sugar. So actually it does not cost the consolidated revenue fund anything. As a matter of fact a question in this connection was asked on the order paper, and the answer indicated that under the three-year agreement there was almost $6 million in revenue that had accrued as a result of this Cuban agreement.

World prices of raw sugar have dropped. On December 12 I said that from 1951 the price of raw sugar had dropped by approximately $1.85 a hundredweight. According to deliveries now being offered from Cuba, that quotation has now dropped another 70 cents a hundredweight. So that actually there has been a drop from 1951 to the present time in the world price of raw sugar—and I do not care whether it is British empire or Cuban sugar—of almost $2.50 a hundredweight. So it is pretty difficult to know just what the answer is in regard to the importation of refined sugar.

Let me say that I did not say at any time, as some hon. members have said, that 2 per cent was only a trivial thing. I never said that at all. On December 12 I did say that it was a trifle over 2 per cent of our annual consumption and that, in itself, I said was not disastrous. I pointed out, however, that if it continued it could lead to a great deal of trouble. However, I never said it was a trifling thing or a small thing at any time. It means a lot to bring that much sugar into any area that produces sugar, and has always had the home market. I am not too sure that if importations of refined sugar from Cuba are stopped you are going to eliminate completely importations of refined sugar from the Philippines, from Santo Domingo and from Haiti. I am not sure about that, because refined sugar costs must be lower in those countries. I should like to have the figures on that in order to be sure.

There was one thing I was rather amazed at tonight when the hon. member for Lambton West (Mr. Murphy) brought this up. He mentioned that the Minister of Trade and Commerce (Mr. Howe) had made a statement to the press. When the delegation met him in October the Minister of Trade and Commerce said that he would be making a trip to South America and would make a point of going to Cuba early in February to discuss with trade officials there the sugar agreement and the whole Cuban treaty, and see if some amicable agreement could not be reached.

On January 20 the hon. member for Lambton West made his speech in St. Thomas. He dealt with sugar beets, and he advertised that pretty extensively. I was pleased to note that in some of the advertisements he said to come early to get a seat, as there would be no admission. I was glad of that because I was sure that would be a good inducement.

In his speech the hon. member suggested to the Minister of Trade and Commerce that he make a trip to Cuba to discuss with the trade officials this very agreement we are discussing tonight. The Minister of Trade and Commerce has not been in his place here to make a statement. Why should we

not wait until he gets back before saying anything further on the sugar beet industry? After all, all we have is a press statement. We have nothing direct from him. Why not wait until he comes back, when he will probably have a statement to make regarding the Cuban situation and the Cuban treaty, regarding refined and raw sugar.

Mr. McIlraith: The press statement was made two days before the meeting with the Cuban authorities.

Mr. MacKenzie: Knowing that the minister will be here tomorrow or the next day and be prepared to make his statement, why not wait until he makes that statement before we condemn the policy as a whole?

I was quite interested in the remarks of the hon. member for Charlotte (Mr. Stuart). The sugar beet industry has played a most important part in the economy of this country. When you run into a condition where you have depressed selling of sugar, where there is a surplus of that commodity, I do not think it is fair that one industry should bear the brunt of that situation. I think the Minister of Trade and Commerce understands that quite well, and I feel satisfied that we will reach a solution of this in the near future.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I do not know that I agree entirely with the previous speaker that we should necessarily wait for the return of the Minister of Trade and Commerce (Mr. Howe). I say this because the sugar beet industry in Canada has more ramifications to it than could be covered in an interview by the minister with Cuban authorities in respect of the importation of Cuban sugar. Because the sugar beet industry of Canada has those many ramifications I think it appropriate that we should discuss it at this time.

I have many notes here and I cannot conclude what I have to say in three minutes, so may I ask you to call it ten o'clock.

Some hon. Members: Go on.

Mr. Deputy Speaker: Is it agreed—

Some hon. Members: No.

Mr. Deputy Speaker: —that I call it ten o'clock?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Hansell: All right; I can fiddle around here for three minutes.

An hon. Member: How do you spell that?

Mr. Hansell: It is obvious to me that hon. members opposite would like to close the debate on this particular subject.

An hon. Member: Why should you close it?

Mr. Hansell: I was not going to close it. We still live in a free country and we still operate in a free parliament, we hope. Members are sent down here to represent their constituents and to voice their grievances. It happens that some of us live in areas where they grow sugar beets and refine sugar. Because we believe that industry has a grievance, we are going to debate that matter here.

On motion of Mr. Hansell the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, with regard to the business for tomorrow I do not think I need repeat what I said last night; it will be the same program tomorrow as we had today.

Mr. Fleming: When is the government going to afford the house an opportunity to resume consideration of the motion to set up the special committee on the Canadian Broadcasting Corporation? It is two weeks since that was up for discussion, and the committee should be working now. The days are slipping by.

Mr. Fournier (Hull): No one is more anxious than I to see that debate resumed, but we cannot have two debates going on in the house at the same time. We are dealing with sugar beets right now, and I think we should conclude this debate. Hon. members have a grievance and they are entitled to debate this matter. What am I to say to these hon. members?

Mr. Fleming: The minister had a quite different excuse when I asked about this two weeks ago. He said there was another debate that was going to take one day.

Mr. Fournier (Hull): I have no excuses; I am trying to follow the rules of the house.

Mr. Knowles: Will the minister state when we will have the debate on external affairs?

Mr. Fournier (Hull): The hon. member does not know how anxious the minister is to proceed.

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

HOUSE OF COMMONS

Wednesday, February 11, 1953

The house met at 2.30 p.m.

DAIRY PRODUCTS

TABLING OF NOTE PRESENTED TO UNITED STATES

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I should like to table copies in English and French of a note presented today by the Canadian embassy at Washington to the state department concerning the continuation and extension of United States restrictions on the importation of dairy products.

[*Later:*]

Mr. Donald M. Fleming (Eglinton): May I ask that this document, containing the submission handed today to the state department at Washington by the Canadian ambassador and relating to restrictions on the importation of Canadian dairy products, be printed as an appendix to today's *Hansard.*

Mr. Speaker: Is that agreeable to the house?

Some hon. Members: Agreed.

(*For text of note, see appendix,* page 1860.)

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication from Government House:

Ottawa, February 11, 1953

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, Wednesday, the 11th February, 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)

The Honourable
The Speaker of the House of Commons,
Ottawa.

QUESTIONS

FARM IMPROVEMENT LOANS ACT

Mr. Browne (St. John's West):

1. What was the number of loans and what was the total amount loaned in each province, in 1952, under the Farm Improvement Loans Act?

2. What is the number of current loans and what amounts are outstanding, in each province at December 31, 1952?

Mr. Lesage:

1. Figures to September 30, 1952, are the latest available:

	No.	Amount
British Columbia	1,626	$ 1,758,793.43
Alberta	18,404	22,226,055.93
Saskatchewan	23,974	30,343,023.98
Manitoba	8,262	9,392,948.34
Ontario	9,193	10,051,377.17
Quebec	4,596	5,426,270.73
New Brunswick	669	698,508.65
Nova Scotia	704	679,203.10
Prince Edward Island .	1,281	1,237,538.52
Newfoundland	30	37,864.00
Total	68,739	$81,851,583.85

2. The chartered banks do not report the current number and amounts outstanding by provinces.

DEFENCE ORDERS—BIDS FROM B.C. FIRMS

Mr. Goode:

1. In the list of Canadian firms receiving large defence orders during the period January 1 to 15, 1953, published by the Department of Defence Production, were there any bids from firms in British Columbia?

2. If so, were such bids from British Columbia firms higher than those of the successful tenderers, and in what amounts?

Mr. Dickey: I have spoken to the hon. member. We are getting the information he wants, without going through the necessary documentation to answer the question. He has asked to have it dropped.

Mr. Speaker: Question dropped.

KOREA—SUPPLY PROBLEMS

Mr. Churchill:

1. Are there military problems of supply in Korea which have reached serious proportions and which require early correction?

2. If so, are these problems connected with the supply of ammunition?

3. What steps are being taken to correct any deficiency in supply?

4. Are the artillery and tank units of the 25th brigade restricted in the amount of ammunition they may fire at any time?

Mr. Blanchette:

1. No.

2. Not applicable.

3. Not applicable.

Questions

4. This question was dealt with by the Minister of National Defence on November 25 at page 63 of *Hansard*.

MAIL CONTRACT, BATH, N.B.

Mr. Knowles:

1. Was the mail contract for Bath rural route No. 1, in New Brunswick, put up for tender in 1952? If so, on what date?
2. What are the names of the persons who put in tenders for such contract?
3. What was the amount of each such tender?
4. On what date did tenders for this contract close?
5. What is the name of the person who was awarded this contract?

Mr. Langlois (Gaspe):

1. Yes. On October 30, 1952.

2 and 3. Only one tender was received, as follows: Thomas Keenan, Bath R.R. No. 1, $2,000. Mr. Keenan amended his tender to $1,800, 3 January 1953. A late offer of $2,200 was received from Mr. Andrew McQuade, 13 January 1953.

4. November 21, 1952.

5. The contract for this rural route has not yet been awarded.

LUNAM CONSTRUCTION CO.—COMPLETION OF PROJECTS

Mr. Diefenbaker:

How much has been expended or contracted for by the Department of Public Works in addition to any amounts paid to the Lunam Construction Company, in order to complete the following buildings or projects, since the insolvency of the said company: (a) Prince Albert, Saskatchewan, public building, addition and alterations; (b) Regina, Saskatchewan, Royal Canadian Mounted Police barracks, repairs and improvements to swimming pool; (c) Tisdale, Saskatchewan, public building, addition and alterations; (d) Fort Qu'Appelle, Saskatchewan, Indian hospital, installation of sewerage disposal, (e) Langenburg, Saskatchewan, new public buildings; (f) Fort Qu'Appelle, Saskatchewan, new Indian hospital; (g) Regina, Saskatchewan, new building for unemployment commission; (h) Fort Qu'Appelle, Saskatchewan, new public building?

Mr. Fournier (Hull):

	Amount Expended	Amount Contracted For
(a) Prince Albert, Saskatchewan, public building—addition and alterations	Nil	Nil
(b) Regina, Saskatchewan, R.C.M.P. barracks—repairs and improvements to swimming pool	Nil	Nil
(c) Tisdale, Saskatchewan, public building—addition and alterations	Nil	Nil
(d) Fort Qu'Appelle, Saskatchewan, Indian hospital—installation of sewerage disposal	Nil	Nil
(e) Langenburg, Saskatchewan, new public building	Nil	Nil
(f) Fort Qu'Appelle, Saskatchewan, new Indian hospital	$ 14,518.98	$ 57,546.69
(g) Regina, Saskatchewan, new building for unemployment insurance commission	32,525.78	37,061.28
(h) Fort Qu'Appelle, Saskatchewan, new public building	24,054.26	25,162.14

TRACADIE, N.B., HARBOUR

Mr. Robichaud:

1. Has the Department of Public Works received any complaints, from the Tracadie board of trade and/or from any other person or organization, regarding the condition of the Tracadie, New Brunswick, harbour, as well as suggestions, from the said sources, for the betterment of the said harbour? If so, when?
2. Has any survey of the situation been made by departmental engineers?
3. If so, when was such survey made and what was the report resultant therefrom?
4. Is the Department of Public Works entertaining any plans to improve the said harbour?
5. If so, when will such plans be effected?

Mr. Fournier (Hull):

1. (a) Yes. (b) March, 1952.

2. A winter survey has been authorized.

[Mr. Blanchette.]

3. Results of survey and report not yet received.

4. Matter will be considered.

5. Answered by No. 4.

SUMMARY TRIALS OF INDICTABLE OFFENCES—APPEALS

Mr. Robichaud:

1. How many appeals against sentence arising from summary trials of indictable offences have been taken, in each province, from and including the year 1949 to date?
2. On the hearing of such appeals, in how many cases have sentences so appealed against (a) been reduced; (b) increased; (c) quashed?

Mr. McIlraith:

1 and 2. See statement on following page.

APPEALS ARISING FROM SUMMARY TRIALS OF INDICTABLE OFFENCES, 1949-51(1)

—	Appeal of Accused from Conviction and from Sentence									Crown Appeal from Acquittal and from Sentence					
	1949(2)			1950			1951			1950			1951		
	Total appeals	Acquitted (from conviction)	(3) Sentence varied	Total appeals	Acquitted (from conviction)	(3) Sentence varied	Total appeals	Acquitted (from conviction)	(3) Sentence varied	Total appeals	Conviction	(3) Sentence varied	Total appeals	Conviction	(3) Sentence varied
Canada	721	89	164	837	104	162	773	115	107	58	8	21	66	3	17
Newfoundland(4)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Prince Edward Island	1	0	0	1	1	0	2	0	0	0	0	0	0	0	0
Nova Scotia	10	2	3	10	0	0	17	0	3	2	2	0	4	1	0
New Brunswick	7	0	3	5	2	0	5	1	1	6	5	0	2	1	0
Quebec	69	9	4	54	12	1	63	11	5	6	0	2	6	2	1
Ontario	340	50	78	273	46	52	302	66	24	18	0	12	21	0	12
Manitoba	44	4	21	58	1	15	41	1	2	1	0	0	3	3	0
Saskatchewan	12	1	5	30	4	6	15	2	7	1	0	0	4	0	0
Alberta	66	15	20	177	14	40	101	4	28	7	1	3	9	0	0
British Columbia	165	7	30	226	23	48	221	29	37	17	0	4	11	1	4
Supreme Court of Canada	7	1	0	3	1	0	6	1	0	0	0	0	6	5	0

NOTES: (1) 1952 figures not yet available.
(2) 1949 figures include appeals of the Accused and the Crown.
(3) Sentence Varied includes sentences reduced and sentences increased. Information as to the number in each of these categories is not available.
(4) 1951 was the first year Newfoundland reported. There were no appeals of indictable offences in that year.

Questions

TELEVISION ADVERTISING RATES

Mr. Diefenbaker:

1. What has been the total amount paid by advertisers, month by month, since the opening dates of the Canadian Broadcasting Corporation television over (a) the Toronto T.V. station; (b) the Montreal T.V. station?

2. What is the fixed (a) hourly rate; (b) half-hourly rate, for advertising over each of the said stations?

Mr. McCann:

1.	(a) CBLT Toronto	(b) CBFT Montreal
September	$ 68,029.55	$ 13,675.62
October	105,798.35	20,779.44
November	112,869.47	26,340.02
December	87,183.08	21,319.80

2.	CBLT Toronto	CBFT Montreal
(a) Hourly rate	$ 750.00	$ 375.00
(b) Half-hourly rate	450.00	225.00

These rates cover only station time.

IMMIGRATION—ASSISTED PASSAGE SCHEME

Mr. Fulton:

1. Since its inception, how many immigrants have come to Canada under the assisted passage scheme who were at the time of their entry (a) British subjects; (b) continental European citizens or subjects?

2. How many in each of groups (a) and (b) above were women and children?

3. To what classifications or groups of immigrants does the assisted passage loan scheme apply? Is assistance thereunder available to aid directly in the movement of dependents?

Mr. Harris:

1. (a) British subjects—3,494; (b) continental European citizens or subjects—15,872.

2. Dependents have not been eligible for assistance under the assisted passage scheme. Number of women workers—(a) 409 and (b) 3,195.

3. Assisted passage loans have been and are available mainly to farm workers, domestics and nurses' aides selected by immigration officers abroad. Assisted passage is not granted to dependents or non-workers except that class referred to in my statement to the House of Commons on February 4, 1953.

DEER LODGE HOSPITAL—DISTURBANCE OF PATIENTS

Mr. Knowles:

1. Have any complaints been received by the government with respect to disturbances caused to patients in Deer Lodge hospital because of too many unnecessary flights over that hospital by military aircraft?

[Mr. McIlraith.]

2. If so, have instructions been given to eliminate such disturbances or at least to reduce the same to a minimum, and what are the terms of such instructions?

Mr. Blanchette:

1. Yes.

2. Deer Lodge hospital is located at St. James, Winnipeg, in the vicinity of the Winnipeg airport used by both R.C.A.F. and commercial aircraft. Flights of aircraft over the area consequently cannot be completely eliminated. However, to reduce the disturbance to a minimum, the group commander at Winnipeg has been instructed by the chief of the air staff to inform all pilots operating in and out of the airport to remain clear of the St. James area whenever possible. The problem of reducing flights over the area has also been referred to the director of air services, Department of Transport.

VETERANS AFFAIRS—FORMER COMMISSIONED OFFICERS

Mr. Bryce:

1. How many former commissioned officers are now employed by the Department of Veterans Affairs?

2. Of these, how many were above the rank of captain?

3. How many served in Canada or the British Isles only, in world war II?

Mr. Mutch: Mr. Speaker, I spoke to the hon. gentleman who put this question on the order paper and he has consented to its being dropped.

Mr. Speaker: Question dropped.

PARACHUTES

Mr. MacLean (Queens):

1. Have contracts been let by the government for parachutes, since April 1, 1951?

2. If so, what was the total amount of contracts let to each company for (a) man-carrying parachutes; (b) other types of parachutes, since April 1, 1951?

Mr. Dickey:

1. Yes.

2. (a) Irvin Air Chute Ltd., $3,030,258; Field Aviation Co., $169,050.

(b) Irvin Air Chute Ltd., $269,535.90.

TELEVISION—STATION IN MARITIME PROVINCES

Mr. Robichaud:

1. Is the Canadian Broadcasting Corporation contemplating the setting up of a television station in the maritime provinces? If so, when?

2. If and when such a television station is set up in the said provinces, will the site of the transmitter of the said television station be in or in the immediate vicinity of the city of Moncton, New Brunswick?

3. If not, where will it be located?

4. Will any television station to be eventually erected in the maritime provinces be officially recognized as bilingual?

Mr. McCann:

1. Yes. Late in 1953, if possible, or early in 1954.

2. No.

3. Halifax.

4. Program plans have not yet been made.

BRANDON PUBLIC BUILDING—ALTERATIONS

Mr. Dinsdale:

1. What is the reason for the delay in carrying out the additions and alterations to the Brandon public building as provided for in the estimates for the past three years?

2. When is it intended to proceed with this work.

Mr. Fournier (Hull):

1 and 2. Matter under consideration and plans being prepared.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DELORIMIER POSTAL STATION, MONTREAL

Mr. Courtemanche:

1. From whom was the land purchased by the federal government for the location of the Delorimier postal station, Papineau street, Montreal?

2. What was paid for the said land?

3. Who was the general contractor for the project?

4. What was the cost of the excavation work and by whom was this work done?

5. What was the total cost of construction, exclusive of land purchase and excavation work?

6. What was the cost of furnishing the building?

7. Who was the architect?

8. On what date was the work begun on the said building and on what date was it completed?

9. What are the names and addresses of the subcontractors on this project and what amounts were paid to each of them?

10. After occupation by the postal service were repairs made to the interior of the building?

11. If so, (a) on what date; (b) of what nature; (c) for what reason; (d) at what cost?

TENDERS FOR SUPPLIES—APPROVED LISTS

Mr. Fulton:

1. Are there maintained by any department or departments or agencies of the government, what are known as approved lists of persons or corporations in connection with invitations to tender for supplies to be acquired by or for such department, departments, or agencies?

2. If so, what is the nature and purpose of such lists?

3. By whom are they compiled?

4. On what basis and on whose recommendation are the names of persons or firms included on such lists?

5. Are invitations to tender for the class or type of commodity in connection with which such approved lists are compiled, confined exclusively to those whose names appear on the lists in any particular area?

6. If so, why are not tenders asked for from all persons or firms in the same line of business in the area concerned?

7. What is necessary in order for any person or corporation in an area to have his name placed on the list for such area?

8. Does the Department of Resources and Development maintain such lists?

NORTHWEST MOUNTED POLICE—PENSIONS

Mr. Johnston:

1. Are there any members of the R.N.W.M.P. (veteran association) drawing pensions?

2. If so, how many are receiving $75 or less per month?

3. What are the payments received by each member receiving $75 or less?

4. Has there been any adjustment made in these pension payments?

5. If so, what was the adjustment and when was it made?

Mr. Garson: The hon. member for Bow River (Mr. Johnston) who has asked this question has agreed that the first part, which reads: "Are there any members of the R.N.W.M.P. (veteran association) drawing pensions" should read "Are there any members of the Royal Canadian Mounted Police drawing pensions?" With that change may I suggest that there be an order for return.

Mr. Speaker: Order for return, as amended by the suggestion of the Minister of Justice.

ROBERVAL COUNTY, QUE.—RURAL MAIL SERVICES

Mr. Spence:

1. How many rural mail services are there in operation in the county of Roberval, and how many contractors carry the mail from the point of arrival to the various post offices?

2. What is the name of each one of them?

3. What is his salary?

4. What distance must he cover to perform his work?

5. When does his contract expire?

FARMERS—NUMBERS AND INCOMES

Mr. Fair:

1. During each of the years 1951 and 1952, how many farmers were operating farms in each province?

2. How many operators in each province had a net income, (a) less than $500; (b) $500 to $750; (c) $750 to $1,000; (d) $1,000 to $1,250; (e) $1,250 to $1,500; (f) $1,500 to $2,000; (g) $2,000 to $2,500 and (h) over $2,500, in the above years?

3. How many operated farms of, (a) 100 acres or less, (b) 100 to 160 acres; (c) 160 to 320 acres; (d) 320 to 480 acres; (e) 480 to 640 acres; (f) 640 to 960 acres; (g) 960 to 1,280 acres, and (h) over 1,280 acres, in 1951 and 1952?

4. What amount of income tax was paid by farmers in each province in each of the above years?

MOTION FOR PAPERS

MAIL CONTRACT, BATH, R.R. NO. 1, N.B.

Mr. Knowles:

For a copy of all correspondence dated since July 1, 1951, between the district post office inspector, at Saint John, New Brunswick, and any

person or persons residing at Johnville, Carleton county, New Brunswick, with reference to any recommendations as to the person to be awarded the mail contract for Bath rural route No. 1, in New Brunswick, for 1952-53.

WHEAT

INQUIRY AS TO INTERNATIONAL WHEAT CONFERENCE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I am sure the house will have no objection to my saying that we are glad that the Minister of Trade and Commerce is back from his successful trip. I have a question I should like to ask him which it may be difficult to answer at this time. Perhaps he could take this by way of notice. Is the situation at the international wheat conference today such as would lead one to believe that a continuation of the agreement is not going to be achieved?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have been in close touch with the Canadian delegation at the conference. I must point out that the sessions are in private and no information is being given out in any form. My hon. friend will appreciate that I cannot give out any information from proceedings being held in camera. Meetings between importers and exporters are taking place each day. I know of nothing that has happened that would lead to the conclusion that there is any breakdown in the discussions. Bargaining is going on and I am most hopeful, and I think most of those present at the conference are hopeful, that an agreement can be reached.

SUPPLY

SUGAR—AGREEMENT BETWEEN CANADA AND CUBA

The house resumed, from Tuesday, February 10, consideration of the motion of Mr. Abbott that the house go into committee of supply.

Mr. E. G. Hansell (Macleod): Mr. Speaker, when the house adjourned last night I had risen to speak at three minutes to ten but of course I had not got very far in what I was prepared to say. I rose at that time and I rise now to support the hon. member for Lambton West (Mr. Murphy) and the hon. member for Huron North (Mr. Cardiff) in their pleas on behalf of the sugar beet industry and the sugar refining industry in Canada. I was particularly interested in what they had to say, and I was also interested in the reply given by the hon. member for Charlotte (Mr. Stuart). I should like to read a few extracts from the hon. member's speech and comment upon them as I go along. At the top of page 1819 of yesterday's *Hansard* the hon. member for Charlotte was explaining the economy of the maritime provinces in respect to the agreements that were made some time ago regarding the importation of Cuban sugar and the exportation of maritime fish. He said:

> Again, I want to say that all the maritime provinces—and I will include Newfoundland because now we have four maritime provinces—as I have said on many occasions in this chamber, are most dependent on these American markets. Take them away from us and our economy is completely wrecked.

I believe I can understand the mentality of the hon. member when he says: "Take them away from us and our economy is completely wrecked." In other words, the economy of the maritimes is completely dependent upon exports and imports, upon foreign trade. Might I ask the hon. member, and this is not the first time I have asked this question in this house: What is the purpose of an economic system? That question has never been answered by any member of the government. I would ask the government, I would ask the finance minister who is in charge of monetary policy, what is the purpose of an economic system? Until that is answered we are not going to solve our financial problems internally or externally.

Mr. Riley: You mean not until they are "Hanselled".

Mr. Hansell: We are not going to solve the problem of foreign markets either. I am going to give hon. members my definition of the purpose of an economic system. I would suggest it is to produce and deliver for the welfare of man. I suggest that the monetary policy of any country should be designed to distribute the abundance that it is able to produce. That is the purpose of an economic system. The present government—in fact I would say all ox-cart economists—never admit that there is anything basically wrong with our present financial policy. They will never admit it. In fact everything that is done in the realm of finance is done for the purpose of bolstering, fortifying or solidifying, if you wish, the present financial policy, which is basically wrong. Everything that is done is done with that one purpose in mind regardless of how it affects the welfare of mankind.

In his speech the hon. member for Charlotte (Mr. Stuart) had a good deal to say with respect to free trade. When he mentioned free trade in the manner in which he did there was considerable applause from

the Liberal side of the house. Let me say that I think we are all in favour of as much free trade as possible. I believe we are all in favour of freer trade. But let me say that in the final analysis there is no such thing as free trade and there never will be. We may as well get ourselves straight on that. In spite of all the applauding that some members may do, there is no such thing as free trade. When I was a boy my father used to say that he was a Liberal. I do not know whether or not he was, but I know that I used to hear him talk about the Liberal party as being a free trade party. I heard a speaker in the house some year or two ago—I cannot recall who it was but what he said was not denied—who stated that during Liberal administration tariffs had on the average been higher than during Conservative administration.

Mr. Fulton: Perfectly true, too.

Mr. Hansell: That may or may not be so, but with all the talk and applause that has come from the Liberal benches in respect of free trade—

Mr. Blackmore: Pure lip service.

Mr. Hansell: —may I point out that they are in the driver's seat. The country is being administered by a Liberal administration, a so-called free-trade administration. Let them put some of their policies into action. I say that free trade is an absolute impossibility, and I would challenge any of them to name one thing that we can produce more cheaply in Canada than it can be produced in some other country. Let them name one thing that we can produce in Canada and sell in open competition with the world.

Mr. Low: It would be a nice exercise.

Mr. Hansell: That is a challenge. Let them tell us.

An hon. Member: What about nickel?

Mr. Hansell: I was interested in reading an editorial in the Ottawa *Journal* the other day which is headed, "Wise Words from a Banker". It is not very often that Social Crediters quote bankers but bankers are at least authorities on banking. The president of such a well established bank as the Bank of Montreal certainly should know what he is talking about when he is dealing with economics. Of course even the president of the Bank of Montreal would not admit that there is something basically wrong with the present financial policy, and he is speaking of course as an orthodox banker and is analysing the present situation. Mr. B. C. Gardner, the able president of the Bank of Montreal, made a speech, and the Ottawa *Journal* refers to it. This is what Mr. Gardner said:

> Trade is in its nature competitive. Canada can ill afford, therefore, to come under the competitive disadvantage that we would suffer if our domestic level of prices should in future years rise more rapidly than corresponding prices in the United States. In a highly competitive world we cannot proceed on the assumption that domestic cost levels will be a matter of small moment as far as our export trade is concerned.

Further on there is the following:

> Mr. Gardner concluded by pointing to other dangers—

Listen to this.

> —a corporate tax rate which takes more than half of every dollar of profit, denying industry provision for necessary expansion; high taxation leading to compensatory wage demands and inviting inflation; public demands for government services which must be paid for out of the pockets of private citizens; a tendency to run to the government for protection against the ordinary hazards of day to day business. "There is great need for public education in these fields . . . for legislators and electorate alike."

That would include the hon. member for Charlotte. The fact of the matter is that, with our particular financial policy in Canada and its effect upon Canadian price levels, we cannot compete on world markets in the sale of practically anything. We cannot produce as cheaply as some other country in the world can produce. I want to read another extract from the speech of the hon. member for Charlotte. This is what he said, as found on the same page, page 1819 of *Hansard* of yesterday:

> We do not get very many subsidies down there, and we do not get very much financial assistance. We are quite an understanding people, and we try to stand on our own feet. We are willing to produce what we have to produce in competition with any part of the world.

Now, Mr. Speaker, I want hon. members to note that, because the actual truth is far, far beyond that statement.

> We are willing to produce what we have to produce in competition with any part of the world. If we cannot produce fish as cheaply as someone else, then let us eat someone else's fish. If we cannot produce sugar as cheaply as we can buy it somewhere else then let us give the consumer the advantage of cheaper living.

That sounds all right, but let us analyse that statement and let me ask the hon. gentleman a question. He says:

> We are willing to produce what we have to produce in competition with any part of the world. If we cannot produce fish as cheaply as someone else, then let us eat someone else's fish.

Will he then explain please why this government permits a 33 per cent tariff protection on codfish? Would he be willing to have that tariff taken off? Does he want it removed? Since he referred in another

part of his speech to the fact that potatoes are produced in the maritimes, does he believe that potatoes should not be protected—when at the present time there is a tariff of 75 cents per hundred pounds? We all recall what happened not so long ago when there was no market for potatoes grown in the maritimes. The dominion government bought the crop. What did they buy the crop for? They bought it to keep prices up. Is that not protection?

Now, the hon. member had better answer some of those very simple questions.

He says in another passage which I will quote from *Hansard* of yesterday:

> I think we have to make it clear that if a business cannot stand on its own feet it should not exist. That might be a pretty broad statement, but if an industry cannot survive without subsidies, then there is something wrong.

Well, there certainly is something wrong, and it is not that there is something wrong with business. As a matter of fact business in Canada is run pretty efficiently. What is wrong can be found in some of the basic principles of our financial policies in Canada, and business must groove itself according to the financial policies which are determined by the present government.

Let us get back to the subject of free trade and foreign markets to which my hon. friend referred, and we bring in the sugar beet industry. For a number of years now, particularly since the war, the nations—the United States, Canada and other countries —have been doing all they could—

Mr. Stuart (Charlotte): Might I ask the hon. member a question?

Mr. Hansell: Since I have been referring to the hon. gentleman's speech, yes.

Mr. Stuart (Charlotte): Has the hon. member ever produced sugar beets, fish or anything else in his lifetime?

Mr. Hansell: I did not get the first part of the question.

Mr. Stuart (Charlotte): Has the hon. member ever produced sugar beets, agricultural products or fisheries products?

Mr. Riley: No, but he read a book.

An hon. Member: "It's in the book".

Mr. Hansell: I have not produced sugar beets except in my own backyard and I have never produced any fish except those I have caught with a hook, line and sinker.

Mr. Riley: Were they voters?

Mr. Stuart (Charlotte): You want to try it because you might change your mind.

Some hon. Members: Order.

[Mr. Hansell.]

Mr. Hansell: Mr. Speaker, in order for one to familiarize oneself with fish or sugar beets, it is not necessary for one to have grown them. I might ask my friend if he has ever preached a sermon in his life.

Mr. Stuart (Charlotte): I think perhaps I have.

Mr. Hansell: Well, that is very good.

Mr. Riley: His sermon has some sense to it.

Mr. Knowles: Was it on smuggling?

An hon. Member: It was not stolen anyway.

Mr. Hansell: I am glad to know that my hon. friend has preached a sermon, but even if he had not I would say that he had a perfect right to criticize a preacher.

Mr. Stuart (Charlotte): That is what I am doing.

Mr. Hansell: Mr. Speaker, I was saying that we have done all we could during and since the war to rehabilitate war-torn countries. We have contributed to foreign aid. There is the Marshall plan, which has poured millions and millions of dollars into European countries. We have UNESCO, which was designed to educate people—to give them a scientific knowledge of production and other matters. We have the Colombo plan and we have had one thing after another.

An hon. Member: Are you against them?

Mr. Hansell: No, sir, I am not against them. My hon. friend asks if I am against them. No, we are not; and I am making a point of why we do these things. Well, they were all designed to restore the productive capacities of war-torn countries. What for? You might say that is a foolish question; but the answer is: So that they can produce; so that they can become self-sufficient. That is the answer.

An hon. Member: It is a simple answer.

Mr. Hansell: Just as simple as that. But let us remember that the more that nations become self-sufficient the less they become dependent on foreign trade.

Mr. Stuart (Charlotte): No, no.

Mr. Hansell: Well, unless we are going to manufacture wheelbarrows and exchange them for wheelbarrows from some other country—and surely we do not adjust our economies to do that.

Let me read a little excerpt from the Pakistan *News and Views* of February 2. It is a very interesting item regarding a

speech that was given by Mr. Nurul Amin, chief minister of East Pakistan. I will read it:

> Land which formerly produced jute is now going to be used to grow more food for the populous area of East Pakistan. The chief minister of East Pakistan, Mr. Nurul Amin, has expressed the hope that this will enable East Pakistan to wipe out its food deficit in two years.

They are going to become self-sufficient in respect of their production of foods in two years. I will not take time to read the whole article but the final paragraph reads:

> In conclusion, the chief minister stated that self-sufficiency in food was the first objective of every country. "But", he added, "it is more so in the case of East Pakistan which has an enormous population."

Now, Mr. Speaker, one might say that to take such an attitude is to lean toward nationalism. Well, if that is so in contradistinction to the position of the internationalists, then I do not mind being called a nationalist. Furthermore, if we are to be accused of attempting to safeguard our sovereignty, I do not mind being accused of that either. To add it up and conclude, all you are accusing one of is simply being a Canadian. You can accuse us of that if you wish. You can say that we are ultra-Canadian if you wish. I say that we believe in foreign trade. We believe also in using our productive capacity to produce Canadian goods for Canadian people. What we say is simply this. We can produce sugar in Canada, and there is no reason why we should not produce sugar for Canadian consumption.

Now, Mr. Speaker, I have in my hand a brief that has been published by the Alberta sugar beet growers. I am not going to read the entire brief, but I am going to read that part of it which sums up one or two of the reasons for the continuation and expansion of the sugar industry in Canada for Canadians. I read this from the brief:

> Several policies of the Canadian government are directly affected by the potential influx of foreign refined sugars into Canada.

Then, the brief gives some of the reasons for the necessity of sugar production in this country. The first one in the brief, numbered "A", is as follows:

> The defence policy—which makes it vital to Canada, that a reasonable proportion of this country's sugar supply be produced at home. The lesson of sugar rationing and shortages during the last war should be remembered. During that period of stringency—due to submarine sinking of sugar ships—it was required that Alberta sugar be shipped to Ontario and Quebec.

We do not have to comment on that. We all know that sugar is a vital food product in Canada. The nation could not live without sugar, and yet as soon as the last war broke out one of the first things to be rationed was sugar. I am quite certain in my own mind that the reason for that was the lack of foresight on the part of the administration here to ensure that there were ample supplies of sugar in Canada. The sugar industry should have been encouraged to produce more for Canadian consumption. We were running around with saccharine tablets in our pockets to put in our tea and coffee. When the fruit season came along and the housewives desired to preserve fruit, what happened? They were allowed a few extra coupons in order to put by some preserves for the winter. This state of affairs really should not have occurred in Canada, yet it did. I say once again that this portion of the brief represents one reason why we should pay attention to the sugar industry of Canada, if for no other reason, because it ties in with an adequate defence policy.

Another reason given in the brief is that the industry helps in our immigration policy. I will read from the brief:

> The immigration policy, which calls for the establishment of agricultural people on the Canadian farm lands—as these people from Europe come to a sugar beet area, they are able to establish themselves first as beet labourers, then as tenant farmers, then owners of farms themselves. This process has gone on continually in southern Alberta and many of our best irrigation farmers are those who entered the sugar beet industry as hand labourers.

I am told that about 10,000 people have been brought into these areas. Well, I shall read that portion of the brief.

> Since the opening of immigration—post-war, we estimate over 1,000 people each year have been so employed. In seven years, this immigration has amounted to around 10,000 people who are building up Canada. The present population of 100,000 people in the area surrounding Lethbridge, our market town centre, is very largely composed of immigrants attracted by the sugar beet industry.

Then, another reason for supporting the sugar industry in Canada is the irrigation policy. I shall read this short paragraph from the brief:

> The irrigation policy. Millions of dollars from governments in Canada have been and are being spent to place water on arid and semi-arid lands. We state, without fear of challenge, that sugar beets as a cash crop, are the foundation for the successful farming, which must follow irrigation in western Canada. The introduction of rotation, use of beet by-products, for supplementing grasses and legumes, the establishment of livestock farming, all rely upon sugar beets.

Now, Mr. Speaker, I could read more from that brief and comment further upon it but I do not wish to detain the house. The hon. member for Lethbridge (Mr. Blackmore) has given a great deal of study during the past twenty years to the sugar industry of Canada, and he will have something to say upon this

matter. I am going to suggest to you, Mr. Speaker, that on the subject of the sugar industry the member for Lethbridge is an expert. It would pay this house to listen to what he has to say in this connection. It is of vital importance to Canada. We are not simply making claims for the industry itself, we are making claims on behalf of the Canadian nation. We believe that the policy of producing Canadian goods for Canadian people is the right policy. Since sugar is a vital food product, we believe in the production of Canadian sugar for Canadian consumption.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I greatly appreciate the warmth of the welcome that I have received upon returning to the House of Commons. Last evening I returned from a trip that covered 20,000 miles of travel by air, and which included visits to eleven different countries. I hope in due course to be able to give a report to the house of some of the highlights of the trip, perhaps on the estimates of the department. At the moment, I should like to speak about sugar. I was not able to do so earlier. Perhaps hon. members would be interested in my contact with this problem.

Some time early in last October I had a call from Mr. McGregor of the Canada and Dominion Sugar Company, pointing out that imports of Cuban refined sugar were coming into western Ontario and disturbing the market for beet sugar. At that time he asked that a quota be placed on imports of refined sugar into Canada. I pointed out that quantitative restrictions were one of the menaces to world trade today and that Canada was vigorously protesting quantitative restrictions against the importation of Canadian cheese into the United States market and against other similar violations of the general agreement on tariffs and trade. He was not satisfied with that, but he departed. A few days later I was asked to meet a group of beet sugar growers and refiners, which I did. Quite a large group came to Ottawa. Representatives of the industry in Alberta, in Manitoba, in western Ontario and in Quebec came here. We had a frank discussion. Several facts emerged from it. One fact that was stated repeatedly was that the agreement with Cuba covering the import of raw sugar had no bearing on the problem whatever. That was stated several times by several members of the delegation and I thought it was accepted as a fact by all those present. Of course, it is a fact because the source of the raw sugar is immaterial if the laid-down price in Canada is the same from any country of origin as it is in this case. The meeting was in agreement—I must say that the representative of the Quebec industry did not agree—that the whole difficulty was caused by the importation of refined sugar from Cuba. The representative from Quebec said that there were several things wrong with the industry, but the rest agreed absolutely that if the import of the refined sugar from Cuba could be stopped, the beet industry could carry on.

I promised the meeting that I would visit Cuba early in February—I had already planned to do that as part of my itinerary—and that I would take up with Cuban exporters the matter of stopping the import of Cuban refined sugar into the beet-growing areas. That was an undertaking, and both they and I understood that it was a binding agreement that I would do just that.

A short time after that the beet-growing industry was circularized by Mr. McGregor of the Canada and Dominion Sugar Company, Limited and was asked to take part in a pressure campaign on the government to bring about legislation to stop the import of Cuban refined sugar. I am happy to say that the rest of the industry, being men of integrity, refused to have anything to do with that campaign and I was advised by them to that effect. However, the Canada and Dominion Sugar Company then started the most aggressive pressure campaign that I have ever known of in my seventeen years as a member of this House of Commons. I have here cables that I received while on the trip; they include cables to Bogota, to Havana, to Rio and to other stopping places. They are all in the same language though not in the same words. It happens that Mr. McGregor is a man with a limited vocabulary and he repeats certain phrases. Those phrases are in all the cables. In the meantime the office received telegrams and letters obviously all written by Mr. McGregor or his staff and signed by parish priests, by organizations of growers, by individuals and by various other people, if there are any others.

The hon. member for Lambton West (Mr Murphy) undertook to take up the subject in the House of Commons and he did so. I presume that the hon. member for Lambton West prepared his own speech but I notice that the same old phrases that appeared in these letters and telegrams turned up frequently in his speech. It may be asked: Why did I not answer on this matter before I left? Would it not seem logical that I should do so when members from this side of the house spoke on this subject? I did not do so. The reason I did not was the commitment I had made to go to Cuba and

to take this matter up on the ground. I know from experience—as I think most other people do—that anything that is written on the subject of sugar in Canada or any speech made in the House of Commons on sugar is reprinted in full in Spanish in the Cuban newspapers. If I was going to talk to the Cuban industry, obviously I should not talk in Canada in this House of Commons; I should talk to them in Cuba. Therefore I made no reply to the speeches.

When I met with our beet growers at the end of October, I stated that I was reasonably sure that, if our position was laid before the Cuban authorities, the import of refined sugar would stop. I pointed out that the interest of Cuba was centred more on shipping raw sugar to Canada than on shipping refined sugar. I stated that I would find out how that refined sugar was coming in and would arrange to stop the import.

I arrived in Cuba. I found the industry greatly disturbed. They had been reading the speeches of the hon. member for Lambton West and they wanted to know whether Canada wanted to break trade relations with Cuba. I explained that the hon. member for Lambton West was simply a politician looking for the votes of the sugar growers and that they were not to take his remarks seriously.

However, we had thorough discussions. At a meeting attended by the principal exporters of the island I explained that we were glad to have their raw sugar but that their refined sugar was presenting a serious economic problem in Canada. They agreed at once that they had no desire to upset the Canadian economy and that if refined sugar was doing that, they would stop exporting it to the beet areas.

I then met the sugar institute, the body that controls all matters affecting sugar in the island of Cuba. I explained the situation to them. They very reasonably said: "You have a duty on refined sugar of $1.89 per 100 lbs., which is a duty of more than 25 per cent at present prices; if our sugar can come in over that duty, your refiners are getting too much profit." I said: "I know that; but nevertheless I am talking for the beet-sugar industry. Even though our cane refiners are taking too much profit, I want you to stop the shipment of refined sugar into the beet-growing areas." They pointed out some exceedingly bad buying practices on the part of our trade—practices which should be corrected. I am meeting our refiners at the end of the week and I hope that those buying practices can be corrected.

Mr. Fulton: Is Mr. McGregor coming up?

Mr. Howe: I will be glad to talk to Mr. McGregor.

Mr. Knowles: Talk to him in Spanish.

Mr. Howe: Assuming that remedial action is taken with regard to these buying practices which have discriminated definitely against the Cuban exporters, I think I can assure hon. members that no Cuban refined sugar will be shipped from Cuba into western Ontario or into the three prairie provinces. It may be that if the refiners are still considered to be taking too wide a margin, refined sugar will go to Newfoundland, which was always a market for Cuban refined sugar; it may go into the maritime provinces. All I am saying is that refined sugar will not be shipped directly from Cuba into the beet-growing markets.

I should like to say a little bit about Mr. McGregor's company. While we are going into this matter I think perhaps we had just better see what the real situation is. We must examine separately the interests of the refining company in question and those of the beet-sugar growers themselves; for, although some of the growers have allowed themselves to be persuaded to join in the representations of the refiners, it does not necessarily follow that their interests are identical.

First, let me say a few words about the position of this refining company. While I shall have to speak frankly in this connection, I should not like anyone to feel that this is being done in an unfriendly or critical spirit. The company in question is a reputable concern of many years' standing, highly respected in the community. Its affairs, so far as I know, are efficiently conducted, and if its recommendations are designed to benefit primarily the company itself this is not surprising nor anything with which one should necessarily find fault. The Canada and Dominion Sugar Company is the owner of three large refineries, two in western Ontario and one in Montreal. These refineries, according to figures recently published—and I quote from the *Financial Post* corporation service—have been doing approximately one-third of all the sugar refining business in Canada.

While the company processes beets in western Ontario, its principal activity is the refining of imported raw cane sugar. In the latest year for which I have seen statistics, for every pound of beet sugar produced by this company it was refining approximately four pounds of imported cane sugar.

During a number of years past, the company has been enjoying a period of quite profitable operations. Between 1945 and

1951 its net profits, after taxes, steadily rose from $940,638 in 1945 to $2,238,888 in 1950, an exceptionally good year—

An hon. Member: The poor fellows!

Mr. Howe: —followed by a profit of $1,779,337 in 1951. Although I have not seen it authenticated, I am told that the gross profits of the company before write-off in 1952 were the highest in the history of the company. I would point out however that that prosperity in 1952 was not shared by the beet growers, who took a cut in their returns. I am afraid this refining company has not learned about equality of sacrifice.

Good dividends have been regularly paid for many years, and since the war the company has also managed to double its earned surplus which, at the end of 1951, amounted to more than $5 million. It is obvious that the main financial interest of this company lies in the refining of cane sugar, constituting about 80 per cent of its total output, with beet sugar as a profitable sideline.

The year 1950 was a record year for the sugar beet industry in Canada. In that year, from figures reported by the company itself, the Canada and Dominion Sugar Company produced about 494 million pounds of refined sugar, of which 104 million pounds were from beets and 390 million pounds from cane. To express the implications of these facts in more definite terms, if parliament should see fit to take some action which would have the effect of increasing the price of refined sugar in Canada by one cent a pound, this company would be placed in a position to collect from Canadian consumers, in round figures, an extra $5 million a year. Of this amount, about $1 million would go for beet sugar. And under the sliding scale of prices provided in the company's contracts, I understand that the beet growers would get about one-half of this sum, the company retaining the balance. Also, the whole of the $4 million arising from the increase in the price of refined cane sugar would be available to increase the profits of the company. I think I can understand why this company might have come to the conclusion that it would be a good thing to keep up the price of refined sugar in Canada, and to prevent the importation of competitive products or, what amounts to much the same thing, to restrict the imports to something less than 1 per cent of total Canadian consumption.

But I cannot quite see why the beet growers should be prepared to support this easy solution to their problems. Relatively speaking, they would get a very small share of the proceeds. In total, out of every additional dollar contributed by Canadian sugar consumers, the beet growers would apparently stand to gain about 10 cents; the remainder would go to the refiners.

At this point it would be helpful to look at the magnitude of this problem. For the past four years our total imports of all raw and refined sugar into Canada averaged 600,000 short tons per year. Most imports of sugar into Canada are made by the refiners themselves. However, for many years we have been importing modest quantities of refined and other sugar for direct industrial use. Total imports of these sugars in several recent years, as shown in official statistics, have been as follows:

	short tons
1935	2,583
1936	2,266
1937	2,678
1938	4,998
1939	3,995
1940	8,911
1947	9,036
1948	8,088
1949	4,247
1950	6,325
1951	13,069
1952 (11 months)	23,085

Total imports of refined sugar for direct industrial use since the end of world war II have ranged from 4 to 13 thousand tons a year, and for 1952 may have reached 25,000 tons—less than 4 per cent of the total consumption of refined sugar in Canada. The solution proposed by the Canada and Dominion Sugar Company Limited and the beet sugar growers who are supporting them is a maximum import quota of 5,000 tons of refined sugar per year.

Once we adopted the policy of using import quotas as a permanent protective device for the benefit of the sugar refiners, does anybody imagine that other interests would be slow to appeal for a similar kind of protection? And how would the farmers of Canada like it if this parliament were to place virtually prohibitive import quotas on the things that they have to buy, wherever these articles happen to compete with goods produced in Canada? How would the exporters of Canada like it if their customers in other countries, not content with tariffs, were likewise to adopt import quotas to keep out Canadian products whenever these Canadian products showed signs of competing with their own industry? In instances where other governments have resorted to such policies, we have made vigorous protests. We should not expect our protests to be very effective, however, if we ourselves accepted the principle of virtually prohibitive import quotas as a part of the regular commercial policy of this country. There are very few countries which depend as much as Canada on

two-way international trade, and it would not be logical for us, of all people, to set a bad example by adopting that kind of import restriction.

And now let me say a few words about the beet growing industry. This industry over the years has also grown and prospered. After the first great war the area under sugar beets in Canada ranged from 15 to 25 thousand acres. The value of the beets grown in Canada at that time was less than $2 million a year, and in 1922 beet sugar accounted for only 2·6 per cent of the total production of refined sugar in Canada. Since then, the beet growers have come a long way under our present sugar tariff structure. The number of acres in sugar beet has steadily increased to an all-time high of 101,650 acres in 1950, and nearly as much, 93,138 acres, in 1951. The total value of sugar beets grown in Canada reached an all-time high of $18,459,000 in 1950, as a result of good weather and abnormal raw cane sugar prices. The value of $14,364,000 in 1951 was the second highest in history. Beet sugar represented 19·6 per cent of the total Canadian production of refined sugar in 1950 and 18·9 per cent of the total in 1951. Hon. members will find an inspiring story of this industry in an article by George A. Yackulic in *Saturday Night* of February 7. In this article, headed "Hope and Fortune Found in Sugar Beets", the writer described the beet sugar industry in Alberta as having been a steppingstone to farm ownership for many hundreds of new Canadians. The writer reports that, by the time they finish collecting for their 1952 crop next fall, many of Alberta's farmers will count their profits from beets at over $100 per acre.

There is, of course, a difference between growing beets in Alberta and growing them in Ontario. The irrigated land of Alberta which is suitable for beet culture is far away from Canadian ocean ports. The beet growers of Alberta and to a lesser extent those of Manitoba, therefore, enjoy a natural freight protection against the competition of imported sugar. This may be illustrated by the following table of relative retail prices of refined sugar in eight Canadian cities on September 2 last:

	Cents per lb.
Halifax	9·8
Saint John	10·1
Montreal	9·6
Toronto	9·9
Winnipeg	13·1
Saskatoon	14·2
Edmonton	12·2
Vancouver	10·5

Tariff protection sufficient to safeguard the production of sugar beets in Ontario is, therefore, more than sufficient to protect the production in western Canada, which benefits by freight protection in addition. In Ontario, recent figures indicate that the production of beet sugar is running at approximately 47,000 tons a year, about 7 per cent of the total production of refined sugar in Canada. In Ontario there are competitive demands for labour, notably in Windsor and Chatham; there are also competitive uses for land such as the production of soya beans and corn; but it is remarkable to see the way in which the sugar beet farmers of Ontario have continued to find it profitable in recent years to grow this crop.

We have heard a great deal in this house about the 6,000 sugar beet farmers in Ontario. According to the census of 1951, sugar beets were being grown during that year on 3,087 farms in Ontario on an area of 30,068 acres, being an average of 9.07 acres per farm. In Alberta and Manitoba, the operations were on a larger scale, the average area under sugar beets per farm in Alberta being 26.8 acres and in Manitoba 20.2 acres. In the province of Quebec, on the other hand, sugar beets were being grown on 2,494 farms on an area of 10,741 acres, being an average of 4.3 acres per farm.

The cause of the present complaints lies in the recent fall in world raw sugar prices, not in this small importation of Cuban refined sugar. What has brought this about? There is no mystery about it. During and after the second world war there was a temporary shortage of sugar, and prices went up. By the spring of 1950 production had increased and the price of raw sugar had fallen to about $4 per 100 lbs., f.a.s. Cuba.

The panic buying following the outbreak of hostilities in Korea pushed this price up to a high of better than $8 per 100 lbs., in July, 1951. Since that date production has been overtaking consumption, and within the last few months the supply of sugar available has increased to such a level that producing countries are holding substantial tonnages of raw sugar and the price has fallen as low as $3.50 per 100 lbs., f.a.s. Cuba, Neither the beet growers, for whom I have the greatest respect and sympathy, nor any other class of producers can hope to continue to receive at all times the full benefit of scarcity prices. For many years they enjoyed an extensive and profitable business at normal prices. During the last few years they have done even better. At the present time world sugar prices have returned to more normal levels.

There may be farmers who will find it more profitable to shift a part of their production into some other crop. Such shifts

happen every year. On the other hand, I have no doubt that even without any extraordinary measures to promote the growing of this crop, sugar beets will continue to be profitably grown in Canada as they have been throughout the past fifty years.

I appreciate the fact that the Canadian refiners have special problems of their own. Because of the seasonal nature of Canadian navigation they have to stock up for the winter and hold a considerable inventory which may rise or fall in value while they are holding it. In recent years raw sugar prices have been rising and I presume that refiners have taken a corresponding benefit. More recently, prices have been falling and it is evident that the refiners have naturally been postponing as long as possible the moment for making corresponding reductions in the prices of refined sugar. This is why industrial users of refined sugar in Canada have found it worth their while to import refined sugar from Cuba, even over a duty of nearly two cents a pound.

There is no doubt in my mind that it would be possible, if we thought it to Canada's advantage, to devise some kind of restrictions which would curtail or entirely prevent the importation of refined sugar from any source, though naturally the people of Canada would have to pay for it in higher prices, the loss of export markets, and retaliation in other countries.

In Cuba our export interests include fish, potatoes, wheat, and a very wide variety of manufactured products which the Cubans themselves would like to buy from us in larger quantities. A good many of these products come from Ontario and western Canada, the very provinces where sugar beets are grown.

It would surely be irrational to endanger our export markets for fish, potatoes and wheat and manufactured products and at the same time to increase the cost of living and the cost of production throughout Canada in order to safeguard one industry against all possible competition.

It is not the policy of this government or of the party to which I belong to respond to pressure organized and generated by a single company, even if it is the producer of one-third of all the refined sugar consumed in Canada.

A good deal has been said in this debate, particularly by the hon. member for Lambton West (Mr. Murphy), who told us a very sad tale about the low wages paid in Cuba. I took particular pains to find out about wages in Cuba. The sugar producers have a contract with the workers which is supervised by the government. I was able to get a document from the government in Spanish which gave the full particulars. I think Canadian sugar growers, who have been doing so well according to Mr. McGregor and the hon. member for Lambton West, might want to know what similar labour in Cuba is getting. They might revise their whole idea about returns for growing of sugar beets in western Ontario.

During my visit to Cuba a few days ago I obtained a substantial file of information with regard to wage rates paid to workers in the sugar industry and applicable to the 1953 sugar crop. I also obtained comparable information with regard to the 1950 crop. These wages are not by any means low.

Out of scores of occupations listed, I may quote a few typical ones. The lowest unskilled wage listed in the entire contract is the one for collectors of sugar samples, warehousemen, et cetera, who are getting $4.43 a day. Generally speaking, the wages for unskilled workers in the sugar mills range between $5 and $6 a day; the wages for more skilled workers range from $6 to $9 per day; and when we get into the classes of tradesmen the wages run from $9 to $15 a day. Foremen are getting $15 to $22 a day. It should be noted that all workers in Cuban sugar factories receive compulsory vacation pay as well as a number of extra benefits for retirement, maternity, et cetera. They operate on a 44-hour week. That is the answer to the sad story about the depressed wages paid to the poor coloured workers in the Cuban sugar industry.

I should like to quote from the Chatham *Daily News* of November 7, 1952, as follows:

> For the second time within a quarter of a century the sugar beet industry in Ontario faces possible extinction as the Liberal government at Ottawa allows refined Cuban sugar to flood the domestic market. Noting that the price of beet sugar has dropped $10.80 to $8.60 within a sixteen month period and $1.30 since Cuba started flooding the market last February, beet processors admitted today that they are "stymied" in the face of government apathy.

I can tell you how beet sugar can be compensated if the price of refined sugar has only dropped to the extent indicated there while the price of raw cane sugar has dropped by $4.40. The beet sugar growers might ask the refiners for a little share of the extra gravy that is being withheld at the expense of the Canadian consumer.

I have some additional notes here. I had planned to really do a job on my friend, Mr. McGregor, in return for the loss of sleep he caused me on my trip, but I do not think I will say much more. One threat he made did not cause me very much concern. I have

heard it made before. It was a threat that unless Cuban refined sugar was shut out of Canada he would close the refineries. I would assume that Mr. McGregor has shareholders and a board of directors, and that just about the time he would start closing the refineries the board of directors would decide to get themselves a new head boy.

This has been a difficult negotiation. Our balance of trade with Cuba is very much in our favour, and Cuba is a very important market to the maritime provinces. It always has been and it always will be. The Cuban agreement on raw sugar was made as a means of stimulating that market and of protecting the market we have had. It has had that effect. There has been a very sharp growth in imports from the maritime provinces, and in talking to the people of Cuba I may say that they in Cuba believe that market can be stimulated a great deal more.

It was necessary to conduct these negotiations with that thought in mind. Certainly I have no intention at any cost of disturbing that market for products of the maritime provinces. However, it has been my experience that international traders are reasonable people and that they particularly value the good will of governments. I did not have much doubt when I went to Cuba that if this situation was explained to the exporters they would be prepared to co-operate. I found that to be the case, and I sincerely hope that nothing will be said in this house or outside of it that will further disturb the happy relations that exist between Canada and Cuba in the matter of raw and refined sugar and in the matter of interchange of products generally between our two countries.

Mr. Stuart (Charlotte): I should like to ask the minister a question. I would be interested to know whether, if the importation of refined sugar from Cuba was prohibited. that would increase the cost of refined sugar to the Canadian people.

Mr. Howe: All I can say is, it would put the refineries in the position of being able to charge anything they like for refined sugar, and while I have great respect for the industry as a whole I have no respect at all for the president of the Canada and Dominion Sugar Company. I shudder to think what he would do to our consumer.

Mr. Knowles: May I ask the minister a question? Can he explain why it is that the retail price of sugar at Winnipeg is so high, the second highest in the country of the list that he gave, in view of the fact that we have a refinery right at our back door?

Mr. Howe: The prices of all products are based on competition. I presume it costs more to grow sugar beets in Manitoba than it does in Ontario. I do not believe that the beet sugar growers on the prairies could live on the price at which raw sugar can be landed at Canadian ports and refined there. The protection of course is the rail rate from the coast to the interior. I think the prices are just what one would expect, having in mind the cost of transporting imported sugar to the prairies.

Mr. Knowles: Who is getting the benefit of that freight rate protection, the growers or the company?

Mr. Howe: I think we can say that the industry on the prairies supplies the demands of the prairies, and it therefore has a self-contained market for that product. In the circumstances I think the prices are reasonable.

An hon. Member: We have no Mr. McGregor.

Mr. Howe: I have not met him anyway.

Mr. Bryce: May I ask the minister a question? How is it that in the minister's home town of Port Arthur Manitoba sugar is 50 cents a hundred cheaper than at Winnipeg?

Mr. Howe: I suggest, if I know the division of markets among the refineries, that the head of the lakes is supplied from eastern Canada.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, we are all glad, I know, to have the report of the minister. We are very glad to have him back.

Mr. Riley: Are you going to change your speech?

Mr. Blackmore: Why not let a fellow get started?

Mr. Riley: I thought I had better ask now.

Mr. Blackmore: You will soon find out.

Mr. Speaker: Order.

Mr. Blackmore: We are very glad that the minister has given us his report. I am not sure of all the details concerning the profits that are being made by other corporations in Canada. Before a person could be sure that the sugar refining industry is making inordinate profits I think one would need to probe into the affairs of probably twenty other corporations in Canada to find out whether or not they are making relatively more. Of course the figures that the minister gave sound very attractive and startling. I wonder what the profits of the International Nickel Company would look like or the

Aluminum Company of Canada or General Motors! Possibly if we knew all these things we might not have quite such a strong opinion as we may be tempted to have now. However, I am very glad to have the minister's report.

May I say that I greatly respect the minister and everything he has done. I appreciate very much that he was able to get the Cuban people to agree not to send into Canada any more refined sugar. Notwithstanding all that, however, I rise to voice a grievance. In my constituency, and in other beet sugar producing areas of Canada, there is definite injury by reason of the importation of Cuban refined. There is no objection to the importation of Cuban raw sugar, but when Cuban refined comes in we begin to remember the years 1930, 1931, 1929, 1928 and 1927, that period right up to 1932 when the Conservative government had to impose a minimum price of $2.30 a hundred at point of origin in order to save the beet sugar industry at all. We remember the fact that for some unaccountable reason the Liberal government at Ottawa abolished that provision in 1939, a provision which was the sole protection the beet sugar industry of Canada had against the importation of refined sugar from cane producing areas. They never told the country they did that. They did not get permission from parliament to do it. They did not even announce it. They just did it. Thereby the beet sugar growers were left completely at the mercy of cane producing areas where they could refine the raw cane into refined. That is the thing that is worrying us.

We can remember all the abominations committed against the beet sugar industry by the sugar controller during world war II. One of these days I will talk about them, and I believe they will be quite astounding to our maritime friends, for whom I have nothing but the very greatest sympathy.

Mr. Riley: You are always astounding.

Mr. Blackmore: I hope I always will be. I think it would do my hon. friend a lot of good to be astounded occasionally.

So, Mr. Speaker, we still think we have been injured and are in danger of being much more severely injured by the importation of Cuban refined sugar. We look upon the federal government's neglect to limit the importation of this Cuban refined sugar into Canada as a neglect of duty.

I propose to show the vital importance of the beet sugar industry in the Canadian economy with respect to several considerations.

[Mr. Blackmore.]

Any nation that intends ever to be strong and enduring must have constantly in mind five essentials respecting its economy. The first is to keep enough of its youth and its immigrants at home to provide amply for its people—producers, consumers and defenders. The second is to keep enough of its money at home to avoid falling into debt abroad. The third is to keep farmers and other primary producers within its borders able to buy the output of the cities. The fourth is to keep its national plant from running down, in other words to husband its resources, managing as far as possible always to improve them and not to deplete them. The fifth is to keep its production stable by avoiding lopsidedness or development in one or two or a few crops, an economy resembling that of Cuba. To attain those five imperative national objectives, the beet sugar industry is the best means available to Canada—this is a matter of exceedingly serious importance, a thing altogether too much neglected.

The beet sugar industry is no longer an experiment. It has been long tried, long proven and long trusted. Germany and Russia and other continental European countries have proved it. Britain has proved, and so has the United States. Canada has proved it abundantly and beyond all possibility of doubt. By that I mean to say that the sugar beet industry is not on trial. The only ones on trial in this country are people who do not know about it. Canada has proved the beet sugar industry in respect of each of the five considerations I have mentioned.

Back in 1932, in the darkest of the depression years, it was estimated in the United States that a beet sugar factory of 1,200 tons slicing capacity would give a living directly and indirectly to 10,000 people. The factory at Raymond, Alberta, in my constituency, is of 1,200 tons slicing capacity and produces yearly about 45 million pounds of refined sugar. It employed 350 people in the factory, 2,200 workers in the fields and 700 growers. That factory used coal to the value of $55,000; lime rock to the value of $20,000; coke to the value of $9,000; boxes, supplies and maintenance to the value of $105,000; bags to the value of $100,000; freight rates to the value of $330,000. The factory payroll was $175,000, and it paid the growers $940,000.

From the standpoint of providing work and markets I submit, Mr. Speaker, that there is not an industry in the Dominion of Canada or on the North American continent that can begin to compare with the beet sugar industry. Let it be borne in mind that if troubles come upon this nation tending toward depression the first thing we shall be

wanting will be jobs and markets. If we destroy this means of providing markets we will rue the day. Let us be wise enough not to be foolish in respect of the beet sugar industry.

This factory helped to keep busy the railwaymen, miners, labourers, truckers and others. The proof of these figures will be found in "Why Canada needs sugar beets", pages 14 to 16.

In the Lethbridge area now there are three fine sugar factories at Raymond, Picture Butte and Taber. That will indicate the reason Lethbridge had a higher per capita income in 1952 than any other city or community in Canada. The Lethbridge district receives very little income from oil. There are hardly any oil wells there. All the prosperity which prevails in Alberta generally in respect of oil is not shared directly by Lethbridge.

Turning back to the Raymond factory, certainly from 1932 until now it has kept a good many Alberta youths at home who otherwise would have gone to the United States. It thereby complies with the first national requirement. It has kept in Canada money that would otherwise have gone to Cuba or other dollar countries to pay for scores of millions of pounds of sugar. It has kept many farmers and others in a position where they have been able to buy manufactured goods from Ontario, Quebec and other parts of Canada. By reason of the manure from stockfeeding, of the fibers and nitrogen restored to the soil, through crop rotation it has helped to keep the soil in southern Alberta from running down. Finally, it has greatly diversified Alberta and Canadian farming, which is a matter of extreme importance. Every acre of properly managed Alberta sugar beet land takes ten acres out of production of wheat in Alberta. That results from the fact that one of a considerable number of crop rotations is used in making the land ready for each beet crop.

The Canadian farming industry is now specializing far too much in wheat growing. Through raising wheat and other grains we are mining our soil. May I repeat that we are mining the soil of Canada. The amount of nitrogen taken out of the soil in raising one bushel of wheat is 1·3 pounds. For oats the figure is ·65 pounds; for barley ·9 pounds. Now, imagine how much of the actual substance of Canadian soil we are sending out of this country when we ship 100 million bushels of wheat. That goes on every year, not just 100 million but 300 million and 350 million bushels.

An hon. Member: What are you going to do about it?

Mr. Blackmore: We have to do something about it rather than sit around here and see it happen. What I am suggesting is that if we were increasing our sugar supply through the beet sugar industry we would remove a vast amount of that wheat land from the production of wheat, and we would produce our own sugar.

I know that does not mean very much to people who do not know this subject of sugar beets, but please understand that I know it. If you do not quite agree with me I will give you plenty of documents in which you can find proof for what I am saying. Call up the experimental farm any time and they will tell you exactly what I am telling you.

A carload of two-year-old fat steers does not contain as much phosphorus as 400 bushels of wheat. The figures I have just given are shown by publication No. 883 of the experimental farm service, called "Irrigation in Southern Alberta" published by Dr. K. W. Hill, senior agronomist at the central experimental farm. I have talked with Dr. Hill, and I have in my possession a letter containing the facts I have given you. It reached me only this morning, so you can be sure the figures I am giving you are right up to date.

Mr. Studer: What about the land belonging to the provinces?

Mr. Blackmore: My hon. friend can read his question tomorrow to see if he thinks it is really sensible.

For the purpose of elaborating these remarks, may I refer to my House of Commons speeches of December 6 and December 17, 1952. May I now read an excerpt from a periodical called *British Farming* bearing on the general theme I am developing here today. This issue of *British Farming* appeared in 1951, and I quote:

> British Farming—an illustrated account of all branches of agriculture in England, Scotland, Wales and Northern Ireland. A story of progress in providing food from Britain's fields:
>
> The sugar beet industry was called into being by deliberate act of the state in 1924.

This is in Britain, of course.

> It has throughout been subsidized and since 1936 it has been developed under the control of a statutory corporation. It was intended to provide a new source of income for farmers in the shape of a crop which could replace turnips and mangolds. It offered a means of raising, or at least maintaining, soil fertility of farms, for it was a foregone conclusion that success in cultivation would be achieved only when farmers were willing to apply liberal doses of fertilizers. It provided by-products in the shape of leafy tops of high feeding value and pulp returned after extraction of sugar from the factories. It provided also a means to maintain human skill in cultivation and an additional outlet for casual labour. Finally, it provided an incentive to the development of new machinery—

Note these words.

All these objectives have, in fact, been realized.

This quotation backs up everything I have said so far, and practically everything I shall say in the remainder of this speech.

The beet sugar industry is particularly important in managing our Palliser triangle. Recently we in this house have been talking about two main subjects. One of them was the conservation of our water resources. Many hon. members said things during that debate which were quite alarming, even to me, and which showed the extremely serious deterioration of soils in various parts of Canada. Then we discussed the Palliser triangle under the heading of the South Saskatchewan dam. Much was said during that debate.

May I point out that in the light of those two discussions which we have had, the beet sugar industry is exceedingly important. The reason is this: It is extremely difficult to make irrigated land pay in the prairie provinces without a cash cleaning crop.

There are several reasons why that is so. I do not wish to go into too much detail, because I have many other things to say. Irrigated land is constantly having water poured over it. This water is likely to be full of weed seeds, and the result is that such weeds as the Canada thistle, the perennial sow thistle and even more dangerous ones are constantly being borne in upon the soil. The need for cleaning the soil is, therefore, much more urgent than it is on ordinary farm lands. The irrigation farmer has costs which he would not have if he were on dry land. Instead of summer fallowing the land it is necessary for the irrigation farmer to be able to raise a crop which he can hoe, and thus clean the land. This crop must be one which will repay him for the effort he puts forth in cleaning the land adequately.

The sugar beet crop is the only one that will do that. It is a cash cleaning crop. Sugar beets constitute the only thoroughly satisfactory cash cleaning crop for those three provinces. Potatoes, corn and sunflowers will grow there, but there is no adequate market for these products if grown extensively. Vegetables for canning need clean land for planting. Soya beans do not appear to be hardy enough for most sections of the Palliser triangle. There is, therefore, no thoroughly suitable cash cleaning crop available to the farmers in the Palliser triangle, having irrigation on their lands, except the sugar beet crop. If we are going to deny them the privilege of developing the beet sugar industry, which is the logical thing for them to do, we are going to be in danger of losing the money we are spending out there in the development of irrigation.

Many of those who oppose, or adopt a lukewarm attitude to, the beet sugar industry argue that Canada should work for less restrictive trade, and toward free trade. For a moment may we examine this matter of freer trade, currently called the principle of non-discrimination in trade. Samuel Crowther, whose work showed him to be a man of wide knowledge, experience and understanding, copyrighted in 1933 a book entitled "America Self-Contained". Chapter 9 of this book has the title "The free-trade myth." The chapter opens with a sentence which has the same meaning as the hon. member for Macleod (Mr. Hansell) gave a few minutes ago; it is this:

One of the most curious of the several classical economic delusions is that trade ever has been or ever can be free.

I say to hon. members, can you name any great nation of our time that became great through free trade? Has not every nation which became great used protection high enough to protect its industries until those industries became strong enough to compete with any industries in the world? Take Great Britain as an example. Britain is supposed to be a country that proves the soundness of free trade. I am not saying anything against free trade. I am putting some facts forward so that hon. members can read those facts and realize what almost fanatical delusions we see manifested by a great many inexperienced and uninformed Liberals who come into this house.

In Crowther's "America Self-Contained" there appear several statements bearing upon Britain and free trade. At page 165 we read:

The regulation of international trade by tariffs and other restrictions is now, and always has been, an affair of expediency, and what is today accepted as classical free-trade doctrine is only a record of what British industrialists considered best for Great Britain at a certain period of history.

You see that just simply shoots a hole right into the balloon of the free trade idealists. Speaking of Adam Smith, who is said to be the high priest of the free traders, Mr. Crowther says at page 165 of his book:

He did not advocate the repeal of protective duties in cases where an industry would be destroyed—

We can see how that applies to our beet sugar industry. Again, the author says:

—he put national defence above all other considerations.

Again, it is said:

He held that the navigation acts, which practically confined British trade to British ships, were necessary. . .

Again:

—he did not favour wiping out the British farmers by letting in free the products of virgin lands.

Let our free trade idealists weigh these facts. On page 166 we read this from Samuel Crowther:

Adam Smith did not bring free trade to England. It so happens that he wrote at a time when British industry was coming to the stage where it did not need protection from foreign industry so much as it needed entry into foreign markets.

In other words, British industries had become so strong that they could compete successfully with any other industries on the face of the earth. Mr. Crowther himself makes the following significant statement at page 169:

One might imagine that British trade had from the beginning been based on the free exchange of commodities. Nothing could be further from the facts. Up to the thirteenth century, England was a crude agricultural country supplying raw materials to the Hansards, who were known as the Easterlings, and since theirs was the only money in England, the name for their money, corrupted into "sterling", has survived. Edward III saw that the British wool might as well be woven at home, so he attracted a number of Flemish weavers and, as soon as they were well under way, prohibited the wearing of any articles made of foreign cloth. Some years later, foreign merchants were compelled by edict to lay out in British goods the proceeds realized on any articles they imported.

What do you think about that for free trade? Free trade was not the policy that Britain applied when she was becoming great. Then at page 170 we read from Samuel Crowther again:

The navigation act was the rock on which British trade was built.

That is significant, is it not? In other words the free trade policy of Great Britain, without the navigation act, even when Britain was using "free trade", would certainly not have sustained Britain in the great role which she played.

From page 177 in Samuel Crowther's book we read this passage:

There was really no freedom about British free trade. It was an entirely one-sided arrangement, for no country could sell manufactured goods in Britain at a price to compete with home-made articles, while of course England had no need to raise a barrier against the incoming of raw materials for her factories. So free trade really meant that every country would admit British goods instead of attempting to make its own.

There is a catch there. There are a number of people in the house who have indicated absolutely fantastic and fanatical addiction to the idea of free trade.

Let me draw these additional facts to the attention of all those who think too strongly about free trade. Britain was at that time the world's banker. Britain was also the world's insurance headquarters. Foreign competition with British goods had not grown up from Germany, the United States and from home industries such as we now find in Canada. Trade unionism had not yet developed in Britain. It was therefore possible for employers in Britain to force down labour to almost starvation levels.

These were the elements in Britain which enabled so-called free trade to work. Does anyone, even in the wildest nightmare, imagine that Canada could possibly get into a position similar to the one Britain occupied in those days? If Canada cannot get into the position in which Britain was at that time, how in the world can anyone sanely suggest that free trade for Canada would be sound?

I hope that my good friend the hon. member for Charlotte (Mr. Stuart), who is not in the chamber at the present moment, will give careful thought to these facts. Yet I sympathize with the statements he makes here concerning ultra high prices which result from too much tariff protection. We can go too far in the matter of tariff protection, and in many cases we have done so in Canada.

What about Germany? Did Germany become great because of free trade? Nothing of the sort. Friedrich List, a great thinker in the days of Bismarck, was invited by Bismarck to advise him as to how to build a great and powerful Germany, that Germany which we today dread in production and international competition. What did List advise? The most careful, elaborate and effective system of protection of German industries until they became powerful enough to compete successfully with industry anywhere on the face of the earth; and Germany was labouring under the disadvantage that the resources which she possessed were relatively exceedingly meagre for the population she had. She had to build herself out of woefully inadequate materials, but look what she did.

Now let us consider the United States. Upon what policies has she become great? Free trade? Not at all. Everybody knows how rigidly the United States has excluded goods from abroad. She was advised by this same Friedrich List who by the way was driven from Germany by certain people who did not like his ideas. He took refuge in the United States and taught the United States people the secrets of building their nation. So they built themselves into a nation which today, like a Colossus, bestrides the world. On free trade? No, not on free trade. We had therefore better be careful. I am not saying a word against free trade. I am merely putting on the record some facts

to which I hope the people in the country, particularly those in this house, will give a great deal of attention.

Then what about Canada? Canada has grown great relatively. What has she done it on? The hon. member for Macleod (Mr. Hansell) gave several items which are protected quite generously by tariffs in Canada. I will just read a few of those for the benefit of people like the hon. member for Vancouver South (Mr. Laing), who seem to imagine that any kind of protection is pernicious. We have asparagus protected by a tariff of 10 per cent; beans, green, 10 per cent; cabbage, 10 per cent; carrots and beets, 30 per cent; celery, 10 per cent; apples, 20 per cent—some of that has been removed; that was in 1947—sugar beets, 30 per cent; potatoes, 75 cents a hundred pounds; onions, 30 per cent; oats, 16 cents a bushel; rye, 15 cents a bushel; wheat, 30 cents a bushel; seeds, garden, 35 per cent.

Mr. Laing: How much of it is seasonal?

Mr. Blackmore: A good deal of it is seasonal and a good deal of it is not. For example, as to potatoes, it is not seasonal trade.

Mr. Laing: Oh, yes.

Mr. Blackmore: Potatoes? I will go right to the record with my hon. friend. I have it right here. Possibly he realizes that I know something about what is in that record. I have here on my desk the Canada Customs Tariff with amendments to June 1, 1950, so it is up to date; I think my hon. friend will agree with that. I can give him the pages on which those things are listed. For example, he will find potatoes on page 119, 75 cents a hundred pounds. I proceed with my list: whisky, $10 a gallon; soya beans, free; eggs, 10 cents a dozen; butter, 14 cents; horses, $25; canned beef, 35 per cent; and so on down a long list that I do not think I will go through. But we have coal, including screenings and coal dust, protected by 75 cents. Let no one run away with the idea that Canada is a free trade country or has attained through free trade policies the degree of industrial development which she has attained. Let us not apply the doctrine, the dogma and the myth of free trade against the beet sugar industry because its advocates are seeking enough protection to enable it to grow as it should.

Others who are unsympathetic with the beet sugar industry contend that it is not efficient. I dare venture the opinion that if we could find an adequate score card by which to judge efficiency, it would be found that the beet sugar industry is probably one of the most efficient industries in the Dominion of Canada. What do these people mean by "efficient" when they talk about "efficient"? As the hon. member for Macleod (Mr. Hansell) said, I challenge any hon. member in the house or any person in the country to show that Canada is able to produce any commodity more cheaply than that commodity is being produced and sold somewhere else in the world. In other words, if we were to take away all protection from Canada, we soon would be using food and goods coming from everywhere on the face of the earth and we would not have anything produced with which to pay for them. That is precisely what we would face.

Now may I read a statement which I believe has a tremendous bearing on this whole matter of protection for the beet sugar industry. Here is a statement from a little publication called "Sugar Facts" dated February 3, 1953. It is headed "Cuba Sets Wage Rates". It states:

> The government of Cuba, following meetings over the week-end, between the minister of labour and workers' representatives had announced its intention of fixing wages and salaries in the sugar industry at levels geared to a raw sugar price of $4.70 per 100 pounds f.o.b., 26 cents below the 1952 level of $4.96.

I ask you, what industry on the face of the earth could compete successfully with a country that is in a position to work together like that, so they can reduce their costs of production to the point where they can come in and compete successfully in the market of any country to which they desire to go. I am afraid that is exactly what we are facing in Cuba.

I greatly appreciate what the Minister of Trade and Commerce (Mr. Howe) said to us today about the co-operative attitude of Cuba. If they decide to enter the Canadian market, they are able to do it. We do not have protection adequate to keep them out. I think the quota, possibly, is the best means of shielding our beet sugar industry. That is the means used in the United States. Some of these days perhaps I shall discuss the sugar quota as it is being employed in the sugar industry in the United States.

The beet sugar industry is of top-flight importance in respect of every one of the basic principles on which a nation is built enduring and strong. Without the beet sugar industry Canada cannot possibly attain self-sufficiency. Let me draw the attention of hon. members to the fact that today the United States is almost self-sufficient, and it is because of the fact that it is almost impossible to get United States dollars. If we want to be strong like the United States, what should our national aim be? Naturally, using

the United States as a model to govern ourselves by, it should be national self-sufficiency. And we cannot attain that without the Canadian beet sugar industry.

Without the beet sugar industry a genuinely balanced economy would be almost impossible to develop, if not utterly impossible. I am referring to an economy in which the primary producers, the farmers, could buy the products of the nation's industries. Without the beet sugar industry it will be extremely impracticable to maintain or to restore the richness of Canadian soils. No other industry I know of in Canada can be put to work and improve the soil while it produces a crop. Without the beet sugar industry it will be far more difficult to give employment to many Canadians, thus holding them in Canada where we want them, not down in the United States, after we have paid money to educate them.

Without the beet sugar industry it will be far more likely that we shall run into adverse trade balances, especially with the United States, from whom, in the last analysis, we buy a great deal of our sugar which we do not produce in Canada.

Considering the importance of the beet sugar industry to the Canadian economy, and considering only that, we must conclude that the admission of Cuban refined sugar into the Canadian market was highly regrettable.

It may be argued that the Canadian refiners are getting too much. I do not know about that; but I would say this, that before the government took the risky procedure of permitting Cuban refined sugar to come into this country, they ought to have found out what the situation was. They should not have let the Cuban refined sugar come in first, and then found out afterwards. That is a pretty reckless way of governing.

I maintain that the sooner we shut out Cuban refined sugar entirely, by a device similar to the one used in 1932, or by devices such as those suggested by the hon. member for Lambton-Kent (Mr. MacKenzie), the better off we shall be, because this country is capable of producing in the Palliser triangle probably twice the amount of sugar we require, thus making the Palliser triangle a steppingstone to greatness rather than, possibly, a millstone around our necks.

Motion agreed to and the house went into committee, Mr. Robinson in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

Department and missions abroad—

85. Departmental administration (including expenses of the Canadian section of the Canada-United States permanent joint board on defence), $2,853,958.

Item stands.

DEPARTMENT OF TRANSPORT

444. Departmental administration, $1,368,375.

Item stands.

DEPARTMENT OF LABOUR

179. Departmental administration, $613,375.

Item stands.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $354,893.

Item stands.

DEPARTMENT OF JUSTICE

162. Departmental administration, $391,601.

Mr. Fournier (Hull): Stands.

Mr. Casselman: There were only four.

Mr. Fournier (Hull): No; for two weeks I have been announcing those five departments. We have taken two weeks to get them in. One department will disappear within a day or so, so that we will have only four left.

Mr. Graydon: The minister is so persuasive.

Mr. Fleming: Did the minister say that one of the departments would disappear?

Mr. Fournier (Hull): The estimates will be sent to the committee on external affairs.

Item stands.

Progress reported.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. L. B. Pearson (Secretary of State for External Affairs) moved:

That items Nos. 85 to 104 inclusive of the main estimates, 1953-54, 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.

He said: Mr. Speaker, this is a resolution following a practice which has become fairly normal, and I think very useful in the House of Commons, and which gives the standing committee on external affairs an opportunity not only to go over the estimates but also to discuss external affairs generally and report back to the house. This resolution gives me an opportunity, which is also becoming normal, to make a statement on external affairs generally.

The last occasion upon which I was able to do this was December 8, when I gave an interim report to the house on the work of the seventh session of the general assembly of the United Nations. At that time I dealt at some length with two questions which

were uppermost in our minds in New York, the Korean and South African questions, which were on the agenda of the general assembly. As the house knows, the United Nations general assembly is to reconvene on February 24 and will then have before it some additional difficult and I should think controversial items. Before the general assembly resumes in New York to discuss these items I should like to make a short estimate of the work so far accomplished, and to survey briefly the task which still lies before the United Nations. I should then like to discuss some other questions of international interest which will not be before the United Nations at this time.

I should say first that the seventh session of the United Nations general assembly, which is proving to be a momentous assembly indeed, has already given us cause for some encouragement and for some anxiety. The main subject, of course, as I have indicated, is Korea. The Korean resolution, which I discussed more fully in my statement of last December, has since that time, as hon. members know, been rejected by communist China and by North Korea and, therefore, unfortunately has not led to an armistice in the unhappy Korean peninsula. Nevertheless I think that this effort, and the resolution which reflects this effort, were of very great significance and importance as a demonstration of unity and solidarity—unity which included all the Asian members of the United Nations. In fact the effort was led by one of the Asian members, India.

Although this resolution has not brought an end to the fighting in Korea, it has become the starting point, the basis for any future action. Finally I believe that it is important that this resolution showed very clearly where the will to peace now lies by exposing the insincerity of communist declarations that they wish to end the war in Korea.

If the United Nations proposal on Korea, which was a fair compromise, had been accepted by the communists who talk so much about a cease-fire we would have been able long since to enjoy a cease-fire—a cease-fire on the basis of an armistice agreed upon, with prisoners of war already exchanged; and we would now be well on the way to a political conference on outstanding Korean and other Far Eastern questions.

Their summary rejection, and it was a summary rejection by the communists, of this great opportunity for peace exposes the hollowness and hypocrisy of the communist clamour for a cease-fire without an armistice and without an exchange of prisoners—matters which, along with others in the Soviet proposals, echoed recently by Peking, are to be left for later disposition to a commission which would be set up after the cease-fire and on whose decisions the communist members would have had a veto.

On that important question and other important questions, the general assembly has already shown that even when faced with matters potentially very explosive it is capable of reaching decisions which bear a relation to the present facts and to the possibilities of constructive international action.

It is probable, however, that there will be further far-reaching discussions at later sessions of the general assembly on the reconciliation of domestic jurisdiction as laid down in the charter with the claim that the United Nations is competent to consider and to intervene in any question which anyone may wish to put on the agenda. There is probably no more important long-range problem facing the United Nations general assembly than this.

In the economic, social and legal fields the general assembly did not strike out on any new paths, but it reviewed and developed the work of its various technical agencies. It is possibly worth special mention that there was a decision to recommend a $25 million grant for the expanded program of technical assistance which the economic and social council had already proposed.

Such achievements as the general assembly has been able to make are I think the more commendable in that they were made under the handicap of the uncertainty attendant upon the presidential election in the United States. The general assembly was also faced with serious problems posed for the organization itself by the resignation of the secretary general and by certain difficulties which arose over personnel problems in the secretariat. I shall say no more about these matters now, as they will undoubtedly be discussed at the resumed session.

However, there are some additional subjects on the agenda which promise to give rise to discussion and indeed to opportunities for propaganda. These include, for example, germ warfare, the Polish resolution on "peace" and the Czechoslovak resolution referring to the alleged interference of the United States in the internal affairs of other states. We are now more than half-way through the session of the general assembly, I hope; and while I do not wish to indulge in any idle or unrealistic praise of what it has done or to minimize the difficulties which lie ahead, I think we can take some encouragement from the spirit in which the general assembly tackled the great issues which faced it last

October and from the constructive way in which so many delegations sought for solutions to those issues.

At the United Nations the relations of our delegation were particularly close, as they always have been, with the delegations from the other commonwealth countries and from the United States, and I should like to say a few words at this point about our relations with the United States.

For the past months we in Canada, and indeed the people of the whole world, have followed with mounting interest the constitutional and democratic processes of the United States in connection with the choice of a federal administration by the people of the United States. In Canada, and elsewhere, I think people were struck by the way in which, once the elections were over, the tumult had ceased, and the television had faded away, the people of the United States closed ranks behind their new administration and took up once again the gigantic task to which destiny has called them at this time.

To Mr. Truman of Independence, Missouri, Canadians owe much and I think will acknowledge a great debt. He met international challenges during the years he sat in the most important office in the most important state in the world with courage and conviction, and he played an indispensable part in laying the foundations which made collective resistance to aggression a reality and in strengthening the sinews of the free world. Now President Eisenhower is taking up this herculean burden. We all know the towering contribution he made to victory in war. It is encouraging today to know that his qualities of statesmanship, and his strength of character, his wisdom and experience will be placed at the service not only of the United States, but of all the free world in our search for peace and security.

The inaugural speech of the new President breathed, I think, both humility and strength. It was an inspiration to all those who were able to hear or read it.

There are no two countries in the world, Mr. Speaker, whose relations are closer and more intimate than those of Canada and the United States. We have our problems and our differences and will continue to have them, problems which arise not only from strictly bilateral questions but also from the position of the United States as the leader of the free world coalition of which Canada is a part. Naturally, as the United States possesses so much the greatest power in that coalition and as its influence is correspondingly, and rightly, greater than others', we others are preoccupied—and at times intensely so—as to how that power will be used and how that leadership will be exercised.

One problem for any Canadian government in its relations with the United States as the leader of our coalition—and it is sometimes a difficult problem to solve—is to know when we should give up our own particular view in the interests of general agreement and when we should persist in our own policy even if it means disagreement of the kind which gives so much aid and comfort to the communists.

In seeking for the right answer to this question, on the occasions when it is presented to us, there are various factors which I suggest we should always take into consideration. The first is our responsibility to our own people which means, when necessary, stating our own views to our friends frankly but responsibly. Second, it means an understanding of the desirability, indeed the necessity, in the face of the menace that confronts us, of maintaining the maximum degree of unity that is possible. Third, it means a recognition of the special responsibility that the United States is bearing in the effort for peace. All this, I suggest, makes it desirable not only that the Canadian voice in international affairs should be frank and clear and in a recognizable Canadian accent, and also that there should be the greatest possible harmony between that voice and the other members of the chorus, especially the leader.

So far as our strictly bilateral relations with the United States are concerned, if it is possible to separate them from the collective problems which we share with others, they are closer, more complex and more varied than ever before. Take trade, for instance. The currents of trade now criss-cross our boundary with the United States until trade between our two countries has become greater than that between any two countries in the world and, indeed, I believe is greater than trade between the United States and the whole of South America. Every state in the United States and every province in Canada has a part in that trade which reaches farther into Canada as our northern frontiers assume greater importance in the industrial development of both countries.

So, Mr. Speaker, we were glad to hear President Eisenhower, in his state of the union message, urge upon the United States Congress the need for basing foreign trade securely on fair and equitable arrangements, and in particular to hear his recommendation regarding the reciprocal trade agreements act and the revision of customs regulations aimed at reducing obstacles to trade. We hope that this will soon result in enhancing the economic strength of the

whole free world by securing its foundation in rational trading policies which will benefit us all. Political co-operation and economic conflict are difficult at times to reconcile.

In joint defence, if I may turn to another field, our partnership with the United States is also becoming closer and more complex. Today our common defence requirements are greater than ever before, so great, for instance, that it has been necessary for Canadians and Americans to take their places side by side at lonely northern outposts in Canada as protection against possible aggression which, if it occurred, would not be aggression against a nation but aggression against a continent. It must be expected, Mr. Speaker, that as the advances of modern science and technology increase the speed with which an enemy could strike, so it will be necessary to push our continental defences and our continental development farther and farther north.

In this increasing preoccupation with common defence there is ground for satisfaction on two counts. First, Canadians know that the United States government respects our rights and our natural desire to retain in our own hands the responsibility for administration over all our territory, subject of course to the requirements of collective security. Second, the increasing need for northern defence arrangements in turn requires a further development of transportation, communications and other facilities which are making a material contribution to opening up the wealth and resources of our last remaining frontier, the north.

There is one matter, however, in which our American friends have not been able to co-operate with us at the pace we feel the requirements of the situation demand. I am speaking of the St. Lawrence seaway. We have made great progress during the last few months toward the completion of arrangements for the joint development of the power works in the international section of the river, which are essential before we can proceed with the development of the navigation works, either alone or in co-operation with the United States. All arrangements in Canada have now long since been completed. It remains only for the federal power commission of the United States to issue a licence to an appropriate agency to construct the United States share of the power works for this whole project to get under way. We are waiting for the federal power commission to reach a decision on this matter. We hope that it will be soon, and we are disappointed that that decision has not already been reached.

As arrangements for this Canadian project approach completion, there has been renewed interest in the United States in participating in the construction, the operation and the control of the waterway. Our position, which has already been made public, is simply that we must get on with the entire development just as quickly as we can. The need for power has long been urgent. It must be met, and the St. Lawrence river is the last important source of low cost hydroelectric power available to serve this particular area. Once the arrangements for the development of this power have been completed, and only then, we can discuss whatever new proposal the United States may wish to make for participating in the seaway. It has been made clear, however, that the discussion of any new proposal for sharing this task must not delay any longer the whole project.

Canada and the United States have solved many problems together in a spirit of good will and good neighbourliness, with faith in each other's intentions and purposes. Surely they will be able to solve this one, and soon.

I should like to turn for a moment, Mr. Speaker, if I may, to our relations with Latin America, which are growing in importance, both politically and commercially. It has been the policy of this government to do everything it can to foster that growth and to strengthen our relations with this increasingly important part of the world. The importance and influence of the Latin American countries is evidenced not only by their growing trade but also by their growing influence in the world's councils, especially at the United Nations.

So far as trade is concerned, Latin America has become the third largest trading area for Canada, our total trade with it having risen from $33 million in 1938 to well over $500 million in 1952, almost equally divided between imports and exports. Although our trade with Latin America averages only about 6 per cent of our commerce with the world in general, it accounts for about one-quarter of our trade with all countries other than the United States and the United Kingdom. So one of the principal aims of Latin America and Canada in recent years in particular has been to increase trade in both directions.

We were especially glad, as I think all members of the house will agree, to welcome back to the house our colleague the Minister of Trade and Commerce (Mr. Howe) who has recently made such a distinguished contribution toward strengthening our political and our commercial relationships with Latin America. From all accounts we have received, his mission was greeted with quite

exceptional cordiality in the countries which it visited, and this gives real hope of fruitful results of the kind we are accustomed to securing from the Minister of Trade and Commerce.

Mr. Graydon: We cannot see him blushing for the tan.

Mr. Pearson: Now, Mr. Speaker, I would like to say a few words about our relations with the commonwealth. It is not easy, of course, to bring the commonwealth neatly into any geographical tour since it is as scattered on the map as it is varied in its peoples. It remains one of the most important associations through which Canadian foreign policy is worked out collectively with our friends. It is an association deep-rooted in our history but sensitive to political evolution, as was pointed out so eloquently in this house the other day. Unlike the United Nations and unlike NATO, it has no formal treaty between its members, no formal machinery or firm commitments of any kind; but it is a source of political, economic and moral strength to all of its members and it is of value indeed to the free world which not so long ago it saved from disaster and defeat. Its tried methods of consultation have survived many perils and are always followed by decisions taken by the respective member governments and by agreement on the part of its respective member governments, if only agreement to disagree, which occasionally happens.

The relations, for instance, between the commonwealth delegations at the United Nations are very close and important and it is significant, I think, to realize that at the recent general assembly of the United Nations there were members of the commonwealth who were in what might be termed almost violent disagreement in their approach to certain items on the agenda; but that that never at any time prevented those members of the commonwealth in such disagreement from meeting around the table at a commonwealth meeting to try to iron out their difficulties in private before they were expressed in public.

May I, while I am on commonwealth relationships, mention one other recent consultation, the conference of commonwealth prime ministers held in London last November. It will be recalled that this conference concluded that—and I quote from its communiqué—

> —a more positive policy can now be adopted both by the commonwealth countries themselves, and in concert with other friendly countries, to promote the expansion of world production and trade.

And it emphasized that commonwealth countries—and again I quote—

> —have no intention of seeking the creation of a discriminatory economic bloc; rather their object is by strengthening themselves to benefit the world economy generally . . . the commonwealth countries look outward to . . . co-operation with others, not inward to a closed association . . .

That is from the communiqué at the end of that conference. This conference was no narrow group aiming to improve its position at the expense of or without consideration for others. It was a widely representative meeting seeking to find some basis on which beneficial national action could be taken and from which international co-operation could proceed, but fully aware that such co-operation, to be effective, must have a broader basis than even the commonwealth association.

The effectiveness of this commonwealth conference cannot, of course, be judged finally until more is known of the measures adopted by individual governments following it, and until further discussions have taken place between its members and other governments, particularly the government of the United States, and with various international organizations, particularly the organization for European economic co-operation. The commonwealth countries have, however, taken a useful initiative. In following it up there will have to be co-operation on the broadest possible basis to ease the necessary but not easy adjustments which may have to be made, especially by some of the members of the commonwealth. In this process the Canadian government will naturally wish to play a full and, I hope, constructive part.

Another commonwealth initiative on which I can only touch at this time, but which I am sure will be given consideration later, is the Colombo plan, which likewise was framed in full awareness of the interests of other countries and other organizations, particularly the United Nations. That plan is now nearing the end of its second year and it continues to be one of the most important and constructive elements in our foreign economic policy.

The significance of the commonwealth, however, rests on more than trade and economic development factors. In today's world the effort to bring the condition of men a little closer to the ideal of brotherhood, though an aim which we share with many others outside the commonwealth, can be felt and understood within the commonwealth as something with a special and I think a deeper meaning.

Today the commonwealth, including its Asian nation members, is able to do much

in promoting this understanding and co-operation, especially between the west and Asia. The presence at Her Majesty's coronation next June of representatives of all nations of the commonwealth, whether monarchy or republic, from east and west, will be a striking demonstration of this free world-wide association of which our young Queen is the gracious symbol. Furthermore, since the commonwealth embraces territories which, though not yet qualified for membership, are nevertheless advancing toward self-government, it may before long be faced with proposals for the inclusion of new members. The old empire gave way to the new commonwealth, and that new commonwealth in its turn is developing and changing and gathering, I hope, new opportunities of service and usefulness in the process.

This influence of the commonwealth with its Asian members is one reason why Canadians think more about Asia and the Far East than they did a few years ago. Today the Far East is also close to our interest because fighting is actually going on there in Korea, in Indo-China and in Malaya, and it threatens in other places. We continue to do what we can to end this fighting, especially in Korea, as a prelude to a general settlement in that area.

As I said a few moments ago the most recent attempt at the United Nations general assembly to end the war in Korea has failed. But the effort to that end must not stop, and I am sure it will not stop. The guiding principle of Canadian policy in Korea is to continue to do everything possible to limit the present hostilities to the Korean peninsula, and to take advantage of any opportunity for an early settlement of these hostilities by peaceful negotiation. It follows from this that our general attitude in the United Nations general assembly, as elsewhere, is to support proposals designed to facilitate an armistice agreement, and to oppose proposals which, in our judgment, would impede such an armistice.

On the specific question, for instance, of the disposition of prisoners of war, the Canadian position has been quite clear and consistent. We do not believe that any prisoner should be compelled by force to return to what was once his homeland or should be prevented, through any kind of moral or physical force, from so returning.

We consider also that the purpose of the United Nations in Korea remains the defeat of aggression there, and does not include intervention in the civil war in China. So long as Chinese troops act as aggressors in Korea they must be opposed and that aggression, if possible, defeated. This does not mean that we who oppose them, by so doing, are committed to the overthrow by force of the government now in effective control of the mainland of China. As we see it we are engaged not in a national war against communist China or in intervening in a Chinese civil war, but as a member of the United Nations in a police action against aggression.

Such action may be, and in this case is, just as bloody and dangerous and as hard to bear for those who are engaged in it, as any war of old. But it does embody a new and heartening concept of arms used to defend international order and law rather than to defend national interests alone. As such the words "police action" do not I think deserve the somewhat captious and disparaging criticism levelled at them the other night by the hon. member for Kamloops (Mr. Fulton).

On this point, Mr. Speaker, I should like to quote a few words from a magazine which will be familiar to hon. members, though possibly not on account of its comment on international affairs so much as its humour. I refer to the *New Yorker*. In an editorial in its issue of November 8, 1952, I find these words:

> Korea was undertaken, and stands at this date, as an attempt to honour a prior commitment among nations; that is, the United Nations charter agreement about armed aggression. This fact, without making Korea less bloody, makes Korea unique, and distinguishes it from wars this nation—

The editorial is referring to the United States.

> —has known and fought in the past. When a policeman chases a thief, he does so because of a prior decision of the community regarding felony—

Mr. Macdonnell (Greenwood): On a question of privilege, Mr. Speaker. So far as I can make out there have been half a dozen photographic flashes in this chamber in the last fifteen or twenty minutes. I want to know by whose authority that is done. So far as I know, the Sergeant-at-Arms knows nothing about it. If it is on your authority, that is one thing, and I should like to know if that is so. I should like to know if this is a serious debate or if this is a photographic studio?

The Acting Speaker (Mr. Robinson): I shall have to make inquiries and advise the hon. member later.

Mr. Pearson: I should like to assure the hon. member who has just spoken that I had nothing to do with these photographic activities that have been taking place.

If I may continue, Mr. Speaker, with my reading of this very pertinent paragraph

from the *New Yorker* magazine, I believe I had reached this point:

> When a policeman chases a thief, he does so because of a prior decision of the community regarding felony. The community of the United Nations, new and shaky and divided against itself, made a decision about aggression, and a bloc of non-communist armies, egged on principally by us Americans, rushed in to enforce the global ordinance in the name of collective security. It may be a mess, and the events leading up to it may lack clarity, but nobody need apologize for police action in support of world belief, and nobody should belittle the word "police". It is a good word, and cannot be dissociated from justice and peace.

Mr. Fleming: What was that magazine?

Mr. Pearson: The *New Yorker* of November 8, 1952.

Mr. Fulton: Not to be confused with the New York *Times*.

Mr. Pearson: No, and not to be confused with the observations made by my hon. friend the other night about police action.

Mr. Fulton: In another debate.

Mr. Pearson: Another point of importance in the policy Canada holds towards Korea and the Far East generally is our belief that it is essential that western and Asian democracies should maintain in this matter the highest possible degree of unity of purpose and action. We do not believe, accordingly, that the western powers should press for military or economic measures, at the United Nations or elsewhere, which would certainly not be supported and indeed might be actively opposed by important non-communist Asian states, and which without such support would be less effective in ending the Korean war than in extending it.

This principle has guided our policy in this matter in the past, and it will continue to guide us in considering any such proposals which may be made in the future. We think that such proposals should be considered, not emotionally or from the standpoint of our feelings about the communist regime in Peking, which we detest, but in the light of our United Nations obligation to stop aggression in Korea, and from the point of view of whether their value in that respect is more than offset by the risk of precipitating a war on the mainland of China which, it is clear, would not stop there. It is, of course, very natural indeed to desire to hit the aggressor in new places and with new weapons, but it is also wise to realize that in consequence he may also hit us somewhere else and with new weapons. There are, for instance, about two million people on the very small and rocky island of Hong Kong.

When I talk about Korea my mind naturally goes to a subject which will be of particular interest to the hon. member for Vancouver-Quadra (Mr. Green), a Pacific security pact. He will recall, as I recall, that when I spoke last December I was not able to deal with this subject. I promised him then I would do so at the first opportunity, and this is the opportunity. I should like to say a few words about the concept of a security arrangement in the Pacific along the lines of the Atlantic pact—a concept which we usually embody in the words Pacific security pact.

I have told the house on a number of occasions that, in my view, the time was not yet ripe for a Pacific pact along those lines. I believe that that is still the case. On June 20, 1952, when I last mentioned the subject in this house, I said we were in agreement with the views of Mr. John Foster Dulles, who had said that he did not think it feasible on any quick timetable to associate the countries of Asia in a security pact in the same way as the countries of the Atlantic were associated. Mr. Dulles is, of course, now the United States Secretary of State. We continue to agree with these views which he then expressed and which I believe he still holds. I hope those who hold other views on this subject will produce concrete and impressive evidence in support of them, so we may be given an opportunity, on the basis of that evidence, to consider whether we should change our minds, and will not merely reiterate that we should have a Pacific pact and that we should do more in that respect in the Pacific.

As I see it, there are three fundamental difficulties which remain—and I have mentioned them before—in the way of the early realization of a Pacific pact on a multilateral basis. The first difficulty—and it is a basic one—is which Pacific states should be included and which should be left out; the second is how to get the various countries which might participate to agree to team up with other potential members; and finally there is the lack of community of interest and purpose and policy among some of the potential members.

Until these problems are solved, and they are certainly not solved yet, a Pacific pact which attempted to be the counterpart of the North Atlantic pact would, I think, inevitably be an artificial creation and might well do more harm than good.

The Pacific, however, is by no means a security vacuum. The United States has security arrangements with Canada, of course, but also with Japan, with the Philippines, with Australia and with New Zealand.

Mr. Green: May I ask the minister whether Canada has shown any interest in the ANZUS pact between the United States, Australia and New Zealand?

Mr. Pearson: I was coming to that. I shall be glad to gratify my hon. friend's legitimate curiosity on that particular subject in a moment. Except for the last two countries which I mentioned, these arrangements have taken the form of bilateral agreements, none of which constitutes anything like a Pacific pact.

It has been suggested by some—and it has been suggested in the last few seconds—that Canada might adhere to the tripartite security treaty, now known as the ANZUS pact, between the United States, Australia and New Zealand. On April 1, 1952, I expressed in this house the opinion that the objections to broadening this arrangement at this time into a general Pacific pact, or indeed the objections to including any additional states in this arrangement, were accepted as overriding by certain countries whose support for such broadening would be essential; and that certainly means first of all the United States. That opinion has subsequently been reinforced by the communiqué issued on August 7, 1952, by the ANZUS council itself, at the conclusion of its first meeting. That communiqué reads in part as follows:

> It would be premature at this early stage in its own development—
>
> That is the development of ANZUS.
>
> —to establish relationships with other states . . .

As the ANZUS council itself has taken that attitude not particularly or especially in relation to Canada but in relation to other countries as well, including countries which have a deep and abiding interest in such a pact, I do not think it would be appropriate for us to press for membership at this time.

Mr. Green: Has Canada ever asked to join?

Mr. Pearson: Mr. Speaker, when the council of an organization issues a communiqué which indicates that it considers it inappropriate to broaden its membership, I think it would not be good diplomacy to inquire about the possibility of joining the council at that particular time.

Mr. Green: Did we ask to join before that?

Mr. Pearson: We made inquiries before that communiqué as to the nature of the proposed group and also whether or not it would comprise more than three countries.

Mr. Green: Yes; but did we ask to join?

An hon. Member: Who is making the speech?

[Mr. Pearson.]

Mr. Pearson: We obtained, I think, quite adequate information on which to base the policy which we have followed. So I repeat, Mr. Speaker, that while we are not members of a Pacific security pact along the lines of the North Atlantic pact, and while we are not now members of the ANZUS association, we are just as much concerned with security in the Pacific as we are with security in the Atlantic; because security, like peace itself, is indivisible. But that does not mean, as I see it, that the expression of this concern must be through the same type of collective security machinery everywhere.

When talking about a Pacific pact it is natural, I think, to say a few words about our relations with Japan which would have to play an important part in any collective security arrangement in the Pacific, and this indicates one of the reasons why it is not easy at this time to broaden the more limited association into a wider one.

Earlier last month our colleague, the former minister of fisheries, Mr. Mayhew, took up his new duties as first Canadian ambassador to post-war Japan; and I am sure that in that new post he has the good wishes of all members of this house. He has got down to work at once, as one would expect of him. His arrival in Japan and indeed the exchange of ambassadors with that country not only reflects the developing significance of Canada as a Pacific power, but it also points up the increased importance which both countries, Japan and Canada, attach to their relations with each other.

Canadian interests in Japan are important and varied. In trade, for instance, Japan has again become one of our best customers. The question of our trading relations with her is a difficult one; and some of us may find it hard to approach the problem entirely dispassionately. But I suggest that we cannot afford to ignore it, for Japan is at present our fourth largest market. Last year we sold Japan $102 million worth of goods, about eight times as much as we bought from her.

Political considerations reinforce these economic reasons for reasonable trading relations with Japan. If she is to be retained as a healthy and reliable friend and ally in that critical part of the world, we and the other free countries must be prepared to join with her in working out satisfactory arrangements for maintaining and expanding the trade on which we are both so dependent, and on which she is especially dependent, as she sees her markets on the mainland of Asia being curtailed or possibly being lost because of political difficulties.

As an associate in the free world community, we look to Japan to adhere to her

new-found democratic way of life, and we expect her to make a constructive contribution to collective security in the Pacific. On the other hand, I suppose Japan has the right to look to us to do our part—and by "our" I mean the nations of the western world, including Canada—to show that her choice of friendly association with us is wise from the point of view of enlightened self-interest.

May I say a word now about another part of Asia which has great strategic and political significance at the present time. I refer to southeast Asia, where the situation in some places has taken a turn for the better during the past year. Burma, for instance, has made considerable strides towards the restoration of internal order, and in Malaya the tide of communist terrorism has receded. But in Indo-China which, in some ways, is the most important part of this southeast Asian area, bitter fighting is still going on to keep this territory under nationalist but out of communist control.

In a resolution adopted on December 17, 1952, the North Atlantic council expressed its wholehearted admiration for these efforts and acknowledged that the resistance of the free nations of southeast Asia was in fullest harmony with the aims and ideals of the Atlantic community, and agreed that the campaign waged by French union forces in Indo-China merited support from NATO members. Indeed there is a close strategic relationship not only between events in Korea and Indo-China, but also between events in Indo-China and in western Europe, because events in Indo-China have a very important bearing on France's contribution to the defence of western Europe.

Mr. Graydon: May I ask a question, and may I say I am sorry to interrupt. Does the minister know offhand how many French troops are in Indo-China?

Mr. Pearson: I have not the figures to hand at the moment, but the policy of the French government in Indo-China is to build up the Viet Nam army; the proportion of French to Viet Nam forces is continually being changed in the direction of more national forces. But what that proportion is I cannot say. I suggest also that there is a relationship which we should not forget between possible action from Formosa and possible increased action against Indo-China.

In this tour I have reached southeast Asia, and it is interesting to note that there is now only a relatively small geographical gap between southeast Asia and the area covered by the North Atlantic treaty, which goes to the eastern boundaries of Turkey. And so in a debate of this kind it is possibly not as inappropriate as it might seem to jump from southeast Asia to the North Atlantic Treaty Organization.

Mr. Green: Before the minister leaves southeast Asia may I ask him to explain to the house the proposal to set up a co-ordinating committee to co-ordinate defence activities in southeast Asia. I believe press dispatches indicated that the members would be the United States, the United Kingdom, France, Australia and New Zealand, with headquarters at Singapore.

Mr. Pearson: There have been discussions for the purposes indicated by my hon. friend, to set up a sort of strategic co-ordinating committee with headquarters at Singapore, as he has indicated, and including the countries he has mentioned; but I cannot say anything more about that matter at this time. I would not like to run the risk of saying something about it which is still confidential. However, I shall look into it and see what can be said when I wind up this discussion. I shall see if there is additional information I can give my hon. friend.

Mr. Pearkes: Before we leave southeast Asia, may I ask if we have recognized Viet Nam, or have our relations with Viet Nam changed since Christmas?

Mr. Pearson: Yes; an announcement was made I believe last month to the effect that we had recognized the states of Viet Nam, Laos and Cambodia as states within the French union. It was not a full-fledged recognition, but rather the kind of recognition which had already been given to them by some 35 other states. I had the pleasure today of receiving the ambassador of Viet Nam to Washington, who came to Ottawa and thanked the government here for this recognition, and pointed out the encouragement that it has given his country and government.

All members of the North Atlantic Treaty Organization and all members of the commonwealth, I think, except Asian members have recognized Viet Nam, Laos and Cambodia.

So far as the North Atlantic Treaty Organization is concerned, the feeling has recently developed that the high hopes which we placed in NATO not so long ago are not being realized. The claim is being put forward on the one hand that NATO defence plans are inadequate and are being implemented too slowly to meet the threat which soviet military strength still poses in Europe. On the other hand, some people feel that the effort to achieve the military targets agreed to at Lisbon is resulting in economic weakness and social and political division, and

that economic and political co-operation is being subordinated to excessive military planning.

Well, I think myself that both these criticisms are somewhat exaggerated. If NATO has lost some of the momentum of its earliest days and some of the appeal of those days—and I am not denying that that might be the case—it is due, I suggest, to a certain recent tendency, which is a natural one in the circumstances, to mark time during the longish period while the leader of the coalition was changing the guard, and the period between the changing and the mounting of that guard. There was a certain hesitation in NATO activity which extended over some months.

It might also be due to a feeling of lessening tension, as the years go by without attack, and with growing strength on our side which, of course, means heavy defence burdens. That feeling can be dangerous by lulling us into a false sense of security and, indeed, complacency. On the other hand I suggest that it should not be permitted to obscure the fact that the founding and building up of this NATO coalition of 14 nations is, itself, one of the greatest achievements of history in our time. People already tend to take for granted this really revolutionary development which has taken place in less than four years. And so it should be a source of sober satisfaction, though certainly not of complacency, that by the end of 1952 in western Europe, largely because of NATO, the temptation to easy and victorious aggression has been removed, that temptation which is the greatest threat to peace when totalitarian governments are around.

Canada's contribution to NATO forces remains in accordance with the commitments which we accepted at Lisbon. They include 24 warships being made available by the Royal Canadian Navy for antisubmarine and coastal service as part of the Atlantic force, the 27th Canadian infantry brigade which is stationed in Germany as part of General Ridgway's forces, and the two F-86 jet fighter wings already overseas, which will be part of the R.C.A.F. division to be stationed in France and Germany when airfields become available. Canada has also provided, during the past year, considerable help to other member countries by means of our mutual aid program, under which substantial quantities of arms and ancillary equipment have been supplied.

A ministerial meeting of the council was held in Paris in December, not to make momentous decisions but rather to review the progress made since Lisbon on both the civilian and military sides. And there will be another meeting of the North Atlantic council, under present plans, toward the end of April. At that meeting we will consider the 1952 annual review, which was not completed in December. We will also consider steps to be recommended for the rest of 1953.

On the civilian side, the secretary general's report last December described the work, constructive but still in its initial stages, which has been done in the non-military fields of co-operation, although it has not proceeded as far as some of us had hoped when we signed the North Atlantic pact. Work has proceeded in the field of political consultation through the council, which is now in permanent session, work dealing with population problems, civil defence in wartime, food plans and ship production and supply.

In this connection I think it possibly appropriate for me to refer to the problem posed by the floods which have devastated three of the member states of NATO. The North Atlantic Treaty Organization is the formal expression of the North Atlantic community. A community is a group of people who act together in a crisis, and it is in moments of emergency and crisis that each of us is made aware of the reality of the community which links the peoples which compose it.

The flood disasters which have recently struck at Britain, The Netherlands and Belgium aroused throughout Canada and the whole community instant sympathy and concern, coupled with a desire to speed aid to the victims. I think this disaster might well be a matter for consideration by our North Atlantic Treaty Organization.

Mr. Graydon: Has anybody moved in that direction?

Mr. Pearson: It has been brought to the attention of the council by several members. I should like to say a word on the military side before I sit down. The progress report of the military committee in December showed that great advances had been made in training and increasing the effectiveness of the various national forces assigned to the supreme commander, and in the co-operation between national units and staffs. Substantial advances have also been made in the standardization of international military procedures, notably in signals and in the provision of airfields. At their December meeting the ministers were able to complete the European command structure by approving the military committee's proposal for the establishment of a Mediterranean command. So on the whole there has been a steady advance.

It seems to me rather unfortunate therefore that the tone of the publicity which came out of the ministerial meeting in Paris in December seemed to reinforce this talk of loss of momentum and indeed defeatism. The picture painted in some of the press dispatches emanating from Paris was that of reluctant member countries falling short of the minimum effort required to guard against aggression in spite of dire warnings from various quarters of the consequences of such aggression. If NATO has not done everything that everyone expects of it we should remember that, as in national affairs, an international undertaking of this sort has constantly to fit its plans not only to the capabilities but to the policies and wills of its member states.

It has also to deal first with the most urgent tasks. It was in recognition of this that the ministerial meeting in December directed that more emphasis should be given to increasing the quality of the strength and effectiveness of the NATO forces and the units necessary for their support rather than to the provision of greater numbers of troops at this time.

It has also been recognized that the impact of a collective undertaking of this kind and of this magnitude is bound to have important and sometimes unforeseen results on the economies of member countries, and that political and economic stability must co-exist with defensive strength or else the strongest military force would be but an illusion of security, weakening the very substance which society itself intended to protect.

This does not mean that the governments of NATO countries should forget for a moment that the danger posed by Soviet imperialism to their common heritage of freedom still remains. As I have said, if the threatening cloud of aggression seems now to be less dark in certain parts of the sky over Europe, it is due to the efforts which its members have made to increase their collective strength and unity since the inception of this NATO alliance. The maintenance of the unity and strength of its members and the extension of their joint action into other fields depends, as I see it, in large part on the preservation of our peace and security.

Mr. Speaker, I was going on to discuss other European questions but I gather that the debate should be suspended while other business is transacted.

Mr. Speaker: According to the notice which I received and indicated to the house, it is expected that the Black Rod will arrive shortly.

On motion of Mr. Pearson the debate was adjourned.

HOUSE OF COMMONS

PHOTOGRAPHS TAKEN DURING SESSION OF HOUSE

Mr. Speaker: While I was out of the chair a few minutes ago the hon. member for Greenwood (Mr. Macdonnell) brought to the attention of the house the fact that some photographs were being taken from one of the galleries. I should like to say that during the afternoon I was requested by a photographer to allow him to take a few pictures of the press gallery. I told him that I had no objection provided the press gallery wanted the pictures taken. It was also my understanding that the pictures would be taken either at six o'clock, at the close of the sitting today, or at six o'clock tomorrow night or before the opening of the eight o'clock sitting tomorrow. I am sorry there was a misunderstanding, and I hope hon. members were not disturbed when they saw the flashes. May I assure the house that I shall never allow photographs to be taken of hon. members or of the house in session without advising the house and obtaining its approval of the taking of the photographs.

Mr. Graydon: I suppose we will get pictures of the press gallery eventually.

Mr. Speaker: The press gallery are most generous I am sure.

Mr. Weir: I was wondering if the hon. member for Greenwood would care to modify his reference to the pictures being taken when the Secretary of State for External Affairs was making his speech.

Mr. Speaker: I can assure the house that there were no photographs taken of the Secretary of State for External Affairs while he was speaking. There was no photograph taken of any hon. member.

Mr. Macdonnell (Greenwood): In the light of what has just been said I think I should make it clear that I made no such suggestion. Before I raised any question at all I sought to find out if permission had been given. I actually inquired of a member of the press gallery, who incidentally seemed not to have been advised of this, and I inquired of the Sergeant-at-Arms. It was only when the photographs were being taken that I raised the question. I am grateful for your reply. I cannot in the least understand what the chief whip meant by saying what he did, because I made no suggestion that it was connected with the minister who was speaking.

The Royal Assent

PRIVILEGE

MR. ROBICHAUD—REFERENCE TO ARTICLE IN OTTAWA "JOURNAL" OF FEBRUARY 11

Mr. A. M. Robichaud (Gloucester): Mr. Speaker, on a question of privilege. An article in the Ottawa *Journal* of today is entitled "Farmer M. P. would Relegate Lawyers to Place called Limbo". Then later in the article this sentence appears:

The answer came from a Liberal, A. M. Robichaud of Gloucester constituency.

I wish to have that corrected, because I am certainly not a Liberal.

Mr. Gauthier (Portneuf): You were lucky once in your life.

Mr. Gauthier (Sudbury): You will not be there long either.

THE ROYAL ASSENT

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

Mr. Speaker, the Right 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 for the relief of Barbara Carrique Cordeau.
An act for the relief of Frederick Kenneth Hare.
An act for the relief of Frances Wavertree Harris McClure.
An act for the relief of Nicole Jeanne Andree Marion Comys.
An act for the relief of Joseph Mattioli.
An act for the relief of Gabrielle Bertrand McCullough.
An act for the relief of Katherine Jessie McArthur.
An act for the relief of Fernande Robitaille Viel.
An act for the relief of John Joseph Francis.
An act for the relief of Olga Andrews Martin.
An act for the relief of Lois Hattie Adelstein Green.
An act for the relief of Nellie Slade McCue.
An act for the relief of Jean Davis Brady.
An act for the relief of Dominique Fiorito.
An act for the relief of Pearl Elmeda Clarke Staples.
An act for the relief of James Arthur Bruce.
An act for the relief of Bernice Rosen Rapps.
An act for the relief of Murray Cecil Day.
An act for the relief of Elizabeth Florence Robson Hamilton.
An act for the relief of Winniefred Ann Maltby Gurlevitch.
An act for the relief of Marie Claude Audette Isabelle Boulanger Douglas.
An act for the relief of Gaston Courtemanche.
An act for the relief of Norma Bernstein Cohen.

[Mr. Macdonnell (Greenwood).]

An act for the relief of Mina Eisenthal Hamerman Segal, otherwise known as Mina Eisenthal Segall.
An act for the relief of Agnes Charlotte Quamme Higgins.
An act for the relief of Agnes Mary Perkins Pereira.
An act for the relief of Rosalia Marie Sepchuk Maniloff.
An act for the relief of Anne Reddie Banks Carruthers Beaudoin.
An act for the relief of Doris Isabell Dalzell Bennett.
An act for the relief of Costanza Marzitelli Boisvert.
An act for the relief of Gladys Emily Miller Young.
An act for the relief of Francoise Ernout Fisher.
An act for the relief of Margaret Girvan Hill.
An act for the relief of Fernand Ratelle.
An act for the relief of Charles Meela Voyinovitch Seifert.
An act for the relief of Lily Isenberg Kwavnick.
An act for the relief of Doreen Mae Walmough dit Watmough Colson.
An act for the relief of Robert Gordon.
An act for the relief of Helen Isabelle Hammond Dadson.
An act for the relief of Harold Gordon McFarlane.
An act for the relief of Dezso Ferenc Cross.
An act for the relief of Eric Ernest Auclair.
An act for the relief of Napoleon Jean-Paul Chayer.
An act for the relief of Marie Josephte Gilberte Belanger Byrne.
An act for the relief of Nina Difiore Statner.
An act for the relief of Tillie Tietlebaum Victor.
An act for the relief of Elina Iacurto Floyd.
An act for the relief of Jennie Miller Solomon.
An act for the relief of Elia Kuczerian.
An act for the relief of Ruth Audrey Lorraine Beauchamp Laderoute.
An act for the relief of Phyllis Newman Lunan.
An act for the relief of Helen Doreen Cave Crawshaw.
An act for the relief of Armand Frenette.
An act for the relief of Florence Brown Boyaner.
An act for the relief of Eileen Mercedes Hudson Walsh.
An act for the relief of Madeleine McCartney Ratcliff.
An act for the relief of Kathleen Mary Wilkinson Paraskiewicz.
An act for the relief of Georges Chaput.
An act for the relief of Florence Anna Carsh Laing.
An act for the relief of Beatrice Miriam Kert Beloff.
An act for the relief of John Alexander Stronach.
An act for the relief of Raymond Gelinas.
An act for the relief of Anna Madeline Patterson Cotter.
An act for the relief of Claudia Marie Boudreau Leblanc.
An act for the relief of Lily Belzberg Bigman.
An act for the relief of Joseph Arthur Lesage.
An act for the relief of Minnie Gruhn Boon.
An act for the relief of Jane Louttit Dormer.
An act for the relief of Roger Loiselle.
An act for the relief of William Oscar Gilbert.
An act for the relief of George Magner.
An act for the relief of Teodora Szablity Szentirmai.
An act for the relief of Arthur Piche.
An act to amend the Canada Evidence Act.
An act to amend the Prisons and Reformatories Act.
An act respecting Interprovincial Pipe Line Company.

An act to incorporate Peace River Transmission Company Limited.

An act respecting Beaver Fire Insurance Company.

An act to amend the Companies' Creditors Arrangement Act, 1933.

An act to amend the Representation Act, 1952.

An act to amend the Loan Companies Act.

An act to amend the Trust Companies Act.

An act to amend the Judges Act, 1946.

An act respecting the appointment of auditors for national railways.

An act respecting the Royal Style and Titles.

An act to amend the National Defence Act.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will continue this debate on the motion of the Secretary of State for External Affairs to refer his estimates to the standing committee on external affairs. Then we will take up the resolution in the name of the Minister of Finance respecting the Farm Improvement Loans Act, 1944; Bill No. 46, to amend the Merchant Seamen Compensation Act; and two resolutions of the Minister of Resources and Development respecting the Yukon Act and the National Housing Act, 1944.

It being five minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX

DEPARTMENT OF EXTERNAL AFFAIRS

FEBRUARY 11, 1953

Text of note presented by the Canadian Embassy in Washington to the State Department concerning the continuation and extension of United States restrictions on the import of dairy products.

The Canadian ambassador presents his compliments to the Secretary of State and has the honour to refer to the Canadian embassy's notes of August 27, 1951, and of January 17, 1952, regarding the restrictions imposed upon imports of fats, oils and dairy products under section 104 of the defence production act of 1951.

The Secretary of State will be aware that these import restrictions were considered at the sixth and seventh sessions of the contracting parties to the general agreement on tariffs and trade and that resolutions were adopted recognizing these measures to be contrary to the provisions of the agreement.

On the occasion of the announcement on December 30, 1952, of further import restrictions, relating to dried milk products, the Canadian government re-examined the situation resulting from these restrictions. On the basis of this review the Canadian government would again express its serious concern at this infringement of international agreements to which the governments of the United States and of Canada are parties. The government of Canada wishes to call the attention of the government of the United States to the effects of these measures not only on trade between the United States and Canada but also on the broad commercial policy interests of the two governments.

The government of Canada considers that such departures from accepted principles of commercial policy by the leading trading nation can hardly fail to weaken the force of those principles and to damage seriously the development of world trade on a constructive basis.

Both Canada and the United States, recognizing the weakening effect of continued reliance on import restrictions on economies of friendly countries, have frequently encouraged them to seek solutions to their balance of payment difficulties through increasing exports rather than curtailing imports. Actions by the United States government such as that represented by these import restrictions tend to undermine the confidence of overseas deficit countries in their ability to approach a balance by increasing their dollar earnings. These measures may in consequence have the effect of discouraging attempts which might be made by such countries, in the face of great difficulties, to change the general direction of national policies away from reliance on discriminatory import restrictions as methods of achieving international balance.

The government of Canada, accordingly, takes this opportunity to urge once more that the import restrictions imposed under section 104 of the defence production act of 1951 be removed as soon as possible.

HOUSE OF COMMONS

Thursday, February 12, 1953

The house met at 2.30 p.m.

BANKING AND COMMERCE

Third report of standing committee on banking and commerce.—Mr. Cleaver.

NATIONAL DEFENCE

TABLING OF ORDERS IN COUNCIL RESPECTING ASSOCIATE MINISTER

Right Hon. L. S. St. Laurent (Prime Minister): I should like to lay on the table two copies in French and in English of order in council P.C. 174 of 1953, passed this morning, which provides that the Associate Minister of National Defence appointed under section 6A of the National Defence Act may in addition to the Minister of National Defence exercise and perform all the powers, duties and functions of the Minister of National Defence, unless and until the governor in council otherwise directs.

This order in council revokes order in council P.C. 4553 of November 24, 1952, whereby the Solicitor General was authorized to exercise jointly with the Minister of National Defence certain of the powers and perform certain of the duties and functions provided under the defence act.

I table at the same time two copies of the order in council whereby the Hon. Ralph Campney was this morning appointed Associate Minister of National Defence.

QUESTIONS

GANDER AIRPORT—PREFABRICATED HOUSES

Mr. Browne (St. John's West):

1. How many prefabricated houses are being constructed at Gander?
2. Where were the materials purchased and what was the cost per unit?
3. What is the estimated final cost per unit?

Mr. Winters:

With respect to Central Mortgage and Housing Corporation:

1. 24.

2. Prefabricated house packages from H. Newsum Sons and Company Limited, Lincoln, England, at $4,547.25 per unit f.o.b. Gander, Newfoundland.

On site work, i.e., foundations, plumbing, heating, erection, firm price contract to Eastern Woodworkers Limited, New Glasgow, N.S., at $7,954.73 per unit.

3. $12,502 per unit.

CIVIL DEFENCE COURSES

Mr. Rooney:

How many persons from each province have taken civil defence courses at federal expense?

Mr. McCusker:

To December 31, 1952, 2,562 persons attended civil defence training courses at federal expense as follows: British Columbia, 201; Alberta, 200; Saskatchewan, 81; Manitoba, 186; Ontario, 412; Quebec, 470; New Brunswick, 74; Nova Scotia, 120; Newfoundland, 21; Prince Edward Island, 15; federal employees, 58; armed services personnel, 24; R.C.M.P. personnel, 13; miscellaneous—from industry, etc., 25; total, 2,562.

DOMINION SEED LIENS

Mr. Diefenbaker:

1. Has the government given any consideration to the discharge or cancellation of outstanding dominion seed liens?
2. If so, what decision has been arrived at?

Mr. Winters:

1. No.

2. Answered by No. 1.

COUNTY HEALTH UNITS

Mr. Bradette:

1. Has the department of health of Ontario requested any assistance from the national health grants for county health units?
2. If so, how many new units have been established with federal assistance?
3. How many units established prior to 1948 have been given assistance for extending their services?
4. What is the total amount approved by the federal government for these purposes in the fiscal year 1952-53?

Mr. McCusker:

1. Yes.

2. 7.

3. 20.

4. $434,235.37.

ASSISTANCE TO EMIGRANTS

Mr. Kickham:

1. What assistance is given by the Canadian government to emigrants coming to Canada from Britain, Ireland and the European countries for passage to Canada?

Questions

2. What assistance, if any, is provided to establish them in rural and urban centres in Canada?
3. What difference, if any, is accorded to emigrants from oriental countries?

Mr. Harris:

1. Interest free loans, to cover minimum ocean fare and inland transportation in Canada, are granted to immigrant workers who are eligible by virtue of their occupations and who are unable to defray the cost of their transportation to Canada from Britain, Ireland and certain European countries. These loans are available to the dependents of immigrants coming from the flooded areas of Britain, Belgium and Holland when the head of the family is eligible by virtue of his occupation.

2. Immigrants have available the facilities of the settlement service of the immigration branch, Department of Citizenship and Immigration, and of the national employment service, Department of Labour.

3. Assisted passage loans are not granted to immigrants coming from oriental countries. They have available the assistance referred to in part 2 above.

FISH VALUES, PRINCE EDWARD ISLAND

Mr. Kickham:

What is the cash value of all species of fish landed in each county of Prince Edward Island, during the years 1951 and 1952?

Mr. MacNaught:

VALUE[1] OF FISH LANDINGS, BY SPECIES AND BY COUNTIES, P.E.I.

1951

Species	Prince County	Queens County	Kings County	Total
	$	$	$	$
Cod	25,352	27,916	44,210	97,478
Haddock	.....	1,512	12,002	13,514
Hake	4,441	14,460	23,226	42,127
Flatfish	391	89	3,595	4,075
Herring	47,551	8,390	10,946	66,887
Mackerel	19,291	16,288	4,215	39,794
Smelts	44,934	37,944	13,484	96,362
Other fish	892	2,452	2,195	5,539
Lobsters	689,680	310,300	700,774	1,700,754
Bar clams	55	.....	1 323	1,378
Clams soft shelled	3,227	3,414	4,813	11,454
Quahaugs	177	820	4,505	5,502
Oysters	56,062	14,480	672	71,214
Other shellfish	1,100	.....	3,680	4,780
Fish livers	2,012	1,004	2,201	5,217
Total	895,165	439,069	831,841	2,166,075

1952

Cod	29,832	15,214	52,446	97,492
Haddock	.....	996	52,100	53,096
Hake	9,658	17,838	66,062	93,558
Flatfish	220	.....	34,998	35,218
Herring	31,386	2,124	9,461	42,971
Mackerel	10,958	15,032	4,656	30,646
Smelts	37,712	37,898	20,096	95,706
Other fish	1,116	1,792	1,866	4,774
Lobsters	709,941	389,620	790,090	1,889,651
Bar Clams	1,880	340	14,577	16,797
Clams soft shelled	30,142	4,834	4,059	39,035
Quahaugs	2,007	2,578	37,165	41,750
Oysters	86,467	26,188	2,600	115,255
Other shellfish	9,830	327	2,442	12,599
Fish livers	1,540	628	1,490	3,658
Total	962,689	515,409	1,094,108	2,572,206

[1] Value of fish landings includes the value of fish consumed by fishermen from his own catch which amounts are not segregated. Therefore the actual cash received by fishermen (which is assumed to be the "cash value" referred to in the question) is not available. In relation to the total value of landings, the value of that portion consumed by fishermen is very small.

VETERANS' INSURANCE

Mr. Bryce:

1. How many applications for veterans' insurance were received between October 15, 1952 and February 1, 1953?

2. How many policies were issued during that period?

3. Have any premiums been collected for policies not issued during that period?

4. If so, what is the amount of these premiums?

Mr. Mutch:

1. 547, from October 15, 1952 to February 1, 1953, both dates inclusive.

2. 589.

3 and 4. Amount of premiums (including one remittance of $1,000) which accompanied applications received from October 15, 1952 to February 1, 1953, both dates inclusive, where the policy was not issued during that period: $1,428.55.

CIVIL DEFENCE GRANTS

Mr. Jutras:

How many provinces have taken advantage of the federal civil defence grants program and in what amounts?

Mr. McCusker: Four provinces—British Columbia, Alberta, Saskatchewan and Manitoba—have submitted projects under the federal civil defence grants program.

The quota available to each of these provinces and the value of the projects submitted by them are as follows:

Province	*Quota	Value of Project Submitted
British Columbia	$ 132,000	$ 70,000
Alberta	85,000	5,000
Saskatchewan	66,000	48,000
Manitoba	83,000	47,000

*The quota has been worked out for each province on the basis of 8 cents per capita of the province and an additional 6 cents per capita per federally designated target area. The method of disbursement is on the basis of the federal government matching expenditures by the provincial governments on a dollar for dollar basis.

TRACADIE, N.B.—BREAKWATERS AND DREDGING

Mr. Robichaud:

1. What was the total cost of the breakwaters constructed, and of the dredging done at Tracadie, Gloucester county, New Brunswick, about some twenty years ago?

2. What amounts of money have been expended for repairs and maintenance of the breakwaters at Tracadie, in each and every year, since the year of their completion to date?

Questions

3. Has there been any redredging done at Tracadie gully, since 1935?

4. If so, (a) in what years were such operations carried on; (b) what amount of money was spent therefor in each and every year?

5. Has the Department of Public Works received any complaints, about the condition of the Tracadie breakwaters and gully, and representations stressing the urgency of redredging the said gully and effecting major repairs to the said breakwaters?

6. If so, (a) have the necessary inquiries, investigations and surveys been made by departmental engineers; (b) when were they made; (c) what was the nature of the reports made by departmental engineers as a result of such surveys, inquiries or investigations?

7. Is the Department of Public Works aware that the said breakwaters are presently in a state of almost demolition and the entrance to the Tracadie harbour almost completely blocked?

8. Are any plans for the redredging of the said entrance or gully and for repairs to the said breakwaters presently under advisement by the Department of Public Works?

9. If so, (a) what is the nature and extent of such plans; (b) when will a start be made to correct the serious situation now prevailing at Tracadie gully?

Mr. Fournier (Hull):

1. (a) $183,459.08; (b) $26,881.06.

2.

Year	Maintenance repairs	Construction work related to improvements and repairs
1934	$ 16.76	$ Nil
1935	Nil	Nil
1936	399.75	1,009.18
1937	Nil	253.50
1938	Nil	74.95
1939	294.95	Nil
1940	184.35	8,858.48
1941	69.95	14,785.40
1942	Nil	Nil
1943	2,585.56	Nil
1944	3,189.29	Nil
1945	49.95	Nil
1946	767.83	Nil
1947	388.90	Nil

3. Yes.

4.

(a)	(b)
1937	$24,981.04
1938	26,543.46
1939	20,554.08
1940	9,747.21

5. Yes.

6. (a) Survey under way; (b) winter survey authorized; (c) report not yet received.

7. Yes.

8. Matter will be considered.

9. Please see answer to No. 8.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN IMMIGRATION OFFICERS IN EUROPE

Mr. Diefenbaker:

1. How many immigration officers are there in (a) Great Britain; (b) each of the European countries?
2. What are the names of such officers and their respective locations, salaries, qualifications, and dates of appointment?

LAWYERS AND NOTARIES, ROBERVAL DISTRICT—GOVERNMENT AGENTS

Mr. Spence:

1. What are the names of the lawyers and notaries residing in the district of Roberval, who have acted as agents for the different departments or boards of the federal government, during each of the fiscal years, 1947-48, 1948-49, 1949-50, 1950-51, 1951-52 and from April 1, 1952 to December 31, 1952.
2. What amount of fees has been paid to each of them and in connection with what services?

FARM INCOME—INCOME TAX INSPECTORS

Mr. Aylesworth:

1. How many farms are there in each province of Canada?
2. How many income tax inspectors or farm assessors are there in each province of Canada?
3. What was the 1951 cash income from the sale of farm products, by provinces?
4. What was the 1951 average cash income per farm, by provinces?
5. What was the total cost of the income tax inspectors or farm assessors, in each province?

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed, from Wednesday, February 11, consideration of the motion of Mr. Pearson:

That items Nos. 85 to 104 inclusive of the main estimates, 1953-54, 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.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, when the house adjourned yesterday I had almost completed my review of international developments. It had become almost a review of the development of collective security arrangements around the globe. In any such review—and I ended it yesterday with consideration of the North Atlantic Treaty Organization—I think it is clear that there is one important area of the world where collective security arrangements are most conspicuous by their absence. I am referring to the Middle East. That is a gap, and an important one, in our efforts to defend ourselves and the free world collectively.

[Mr. Fournier (Hull).]

It is, I think, clear that that gap is not likely to be closed by Middle East defence and security arrangements until the political relationships between some of the countries in the Middle East are happier than they are, unfortunately, at the present. That is only one reason why I think the house will have welcomed the announcement today that an arrangement has been concluded between the government of the United Kingdom and the government of Egypt covering the future of the Sudan, which should be a step forward in stabilizing that whole area. It will also have been made clear, I hope, that all these separate collective security arrangements really hang together. They are in a sense interdependent.

Yesterday I finished my discussion by dealing with the North Atlantic Treaty Organization. That organization, as we know, is a limited association of fourteen states whose responsibilities under the treaty extend only to a clearly defined area. Meanwhile it is becoming increasingly clear that it is communist world strategy to attempt to drain away the strength of the western democracies by military and quasi-military action in the Far East and other places and by fomenting disturbances in the Middle East and in Africa. The communist threat then is on a global scale, and no exclusively regional approach to that threat will be sufficient. The policies required to meet it must be world-wide too. Asian problems are linked with European problems, as has been so clearly demonstrated in the case of Indo-China.

Therefore, while each of the NATO partners has its own particular and necessarily limited commitments, it is essential, I think, that in the formulation of their plans—and this is becoming increasingly recognized in NATO—they should take account of their implications in the global setting. Before that can be done by NATO, I think it is fair to say that the strength and the progress of the NATO effort will have to be linked in some satisfactory fashion with the move towards greater European unity.

Last June when I reviewed the European scene I spoke in some detail of the treaty constituting a European defence community which had been signed at Paris on May 27 by representatives of the governments of France, the federal republic of Germany, Italy and the Benelux countries. At that time there were reasonable grounds for hoping that the treaty would be ratified and in force by the end of 1952. Unfortunately that hope has not been fulfilled. In both France and Germany hesitations and doubts

have emerged and persisted, arising perhaps out of the conflict between hopes for the future and memories of the past. These have resulted in disappointments and delays which have possibly caused more surprise and impatience in some quarters than they should have. After all, the decisions to be made in this matter are not easy ones and they involve renunciations of sovereignty that would have been unthinkable even fifteen or twenty years ago.

Those of us who criticize Europeans for being so slow to come together, and who sometimes are tempted to draw what may be misleading historical analogies in urging them to do so, should ask ourselves how readily we would welcome similar renunciations of sovereignty on our own part. Yet while we should understand the hesitations and the difficulties, we should also, I think, clearly realize the desirability, indeed possibly the necessity, for the right decisions to be made soon so that Europe can combine its strength with ours for security and progress. In the darkly menacing picture of our world today, the ancient quarrels of Europe are not important enough to occupy the foreground. The picture must be looked at, I suggest, from a new perspective.

It is unwise to underestimate the depth and sincerity of the national feelings involved, but what alternative is there to European unity of some kind for defence and, indeed, for Europe's very existence? The question that Europeans and ourselves will have to answer is: Is there any solution more acceptable to the parties concerned than the European defence community which is now before them for consideration?

The concept of a European army is a bold and original one which will not be easy of quick realization. But I think it is the best and safest proposal yet made to bring Germany into the western defence system, without which there cannot really be an effective collective defence of western Europe. That it involves risks I would be the last to deny. Recent evidence of pro-nazi activities in West Germany points up one aspect of this risk. But there is no course in this matter without risk. We live in times which are not calculated to bring comfort to the timid, and a new world cannot be built in Europe on a foundation of ancient wrongs.

Between now and the eventual ratification of the treaties, I am confident that the statesmen of the free world will find solutions to the difficulties which the European defence community faces, particularly in relation to such problems as the Saar and Indo-China.

The latter problem of Indo-China, which we touched on yesterday and which is so important to the free world, was publicly recognized as such at the December meeting of the North Atlantic council; and I think it is at the root of French fears and hesitations in Europe at the present time. Incidentally, yesterday the hon. member for Peel (Mr. Graydon) asked me if I could secure information about the number of French forces in Indo-China at the present time. The figures which I have been able to obtain show that there are 164,500 troops of the French union in Indo-China now, a decrease of some 20,000 in the last few months. That excludes, of course, forces raised locally in that area. In our understandable preoccupation with Korea we may sometimes forget the magnitude of the French effort in this part of the world. We may not even be aware that French casualties during operations in Indo-China have been approximately 90,000 wounded, killed and missing—and of that figure 40,000 have been killed. It is understandable, then, that in the plans for closer European defence unity, in which Germany will participate, the French still have very much in mind the diversion of their defence effort necessitated by the situation in Indo-China.

The additional protocols which the present French government has said it intends to negotiate before it accepts the European defence treaty are meant, in part, to take into account France's overseas commitments and to allay the fears of the French people arising out of these overseas commitments and their relationship in turn to the new commitments that they are being asked to assume in Europe. The strong and expressed desire of the French government to see the United Kingdom associate itself more closely with the European defence community is also, I think, to some extent a reflection of France's feeling that she cannot safely put her whole endeavour into the European army so long as she is committed in Indo-China.

It will be recalled here that the United Kingdom, which is already making such a big contribution to European defence and, indeed, to the defence of freedom generally, has already taken a number of steps in the direction of a closer association with the European defence community. I am sure that we hope that she may find it possible to take even further steps to that end which will not prejudice, of course, her commonwealth and overseas interests and responsibilities.

We, in Canada, have given evidence of our strong concern, I think, with the defence of Europe—which is our own defence—both by the pledge and by the presence of our forces

in Europe and by our program of mutual aid. Moreover, Mr. Speaker, by signing and giving parliamentary approval to the NATO-EDC protocol, we have recognized the direct importance to us of the European defence community arrangements themselves. By that protocol, we in Canada assume, as members of the North Atlantic Treaty Organization, reciprocal obligations for defence along with the European defence community. When we talk about the community and express our opinions on it we are talking about something with which we are already connected by our actions here. There is provision in this protocol for mutual consultations between the councils of the two organizations; provision for joint sessions whenever one or the other deems that desirable; and arrangements for the closest co-ordination on the technical level. In that sense, if these European defence arrangements become operative they will bring Germany not merely into association with the European defence army but into association with the North Atlantic Treaty Organization.

So, the unity and the defence of Europe are not matters to which we give an Olympian blessing from a distant shore. In whatever final form the European army becomes a reality, its officers and men will have Canadians as comrades-in-arms since we share a common aim, which is the defence of freedom. We shall all be united, I hope, behind the shield of NATO.

Although the European army, then, has not come into being, European integration is making encouraging progress in other respects. In fact, the day before yesterday an event of very real symbolic and practical importance in the development of European integration took place; and I am referring to the proclamation establishing the common market in western Europe for coal under the terms of the Schuman plan, to be followed in April by the common market for steel. By these arrangements a start has been made in eliminating customs barriers and price discrimination in these vital materials over a vast area inhabited by millions of people. Today the European coal and steel community begins what should develop into close and fruitful European collaboration in the economic field.

In the conception and in the working out of this new supranational body, because that is what it is, Europe owes a great deal to the brilliance and energy of M. Jean Monnet, the first head of the high authority of the Schuman plan, and also to the courage and initiative of M. Robert Schuman himself. M. Schuman has shown a remarkable capacity for reaching out to new concepts and bold designs. There are still many obstacles to overcome in the development of European integration, but the very fact that we can speak of the possibility of such integration at all is due in large part to M. Schuman's unsparing efforts to reach an understanding with the neighbours of France beyond the Rhine. I have every confidence that his distinguished successor as foreign minister of France, M. Bidault, will continue this task with equal success.

Such, Mr. Speaker, is the picture very roughly and inadequately sketched, and with many omissions, some of which I have no doubt will be pointed out in the course of this debate.

The picture continues to give cause for concern, but in some respects it is, I think, a shade brighter than when I spoke last June. Uncertainty and anxiety still darken the general design. We still live in a world which is groping for unity and peace. It is true, and we have been reminded of it with increasing vehemence recently, that the leaders of Soviet communism are prepared to offer the world "unity" and "peace", but what unity, what peace and at what price? If it is simply the acceptance of Soviet domination, and the relinquishing of our liberty, that price is too high and there can be no bargaining on that basis. For us, and for all people who value freedom at its true worth, that is a price which we shall not pay. But there is no reason for despair. We must, and I am sure we can, with patience and perseverance and the right use of our growing strength, discover another and a better way of finding a durable peace within the framework of freedom.

Mr. Gordon Graydon (Peel): This motion is made for the purpose of referring the estimates of the Department of External Affairs to the standing committee bearing that same name. At the outset of my remarks this afternoon I want to deal with one or two matters which I feel ought to be the subject of discussion, deliberation and decision by that committee when it is convened. As you are aware, Mr. Speaker, the standing committee on external affairs is unique in our parliamentary institution, because it is one of the few committees which are privileged to deal with the estimates of a department. It has, of course, taken on a unique characteristic in that the estimates are largely discussed in that committee rather than in the committee of the whole house.

I want to point out to the house, if I may, one of the things which I feel the standing committee on external affairs ought to deal

with at this session or the session immediately succeeding. It is a matter which arises all too soon, and concerns the revision of the United Nations charter itself. When the San Francisco conference brought in its recommendations, which were later embodied in the charter of the United Nations, there was a section which called for review, change and amendment of the charter itself.

If we turn to article 109, section 3, we find these words:

> If such a conference has not been held before the tenth annual session of the general assembly following the coming into force of the present charter, the proposal to call such a conference shall be placed on the agenda of that session of the general assembly, and the conference shall be held if so decided by a majority vote of the members of the general assembly and by a vote of any seven members of the security council.

During the San Francisco conference discussions, there were a number of proposals made with respect to the length of time the charter should be in force before it came up for review. In the first draft of the conference decision, I believe the time was set at fifteen years and later changed to ten. Of course, there is another proviso which gives the general assembly the right, at any time prior to the ten-year period having expired, to call a conference for this purpose if a two-thirds majority of the members say so. I believe that public attention will be riveted upon the expiration of the ten-year period because there is in Canada, as there is in many parts of the world, a great desire to have the United Nations charter reviewed and brought up to date. I believe that if there ever was an organization that ought to keep abreast of the times, both as to its deliberations and as to its structure, the United Nations is that organization.

I know that much water has gone under the bridge since 1945. When the charter was set up it was designed to work in a one-world structure. Instead, it has been compelled to work in a two-world structure, split right down the middle. This fact has brought many ramifications in its trail, including the North Atlantic Treaty Organization as well as other branches which one need not mention at this stage. I believe it must have become evident to all that there is a great need now for the whole charter to be reviewed in the light of the circumstances in which we find ourselves today. For that reason, I am going to make this suggestion, and I make it because Canada gave the lead before and Canada should give the lead again.

There was before the San Francisco conference the Dumbarton Oaks proposals relating to the organs of that United Nations Organization. In the recommendations of the Dumbarton Oaks committee, which were the basis of discussion for the San Francisco conference itself, there was a tiny chapter concerning economic and social co-operation. When the Canadian delegation got to San Francisco they began to work upon the enlargement of those proposals, and upon what they thought was an important part of the work of any world organization, the economic and social aspect. Within a few weeks of the summoning of that conference, the Canadian delegation brought forward a rather enlarged draft proposal which was then submitted to the conference itself. The basis, of course, of the conference deliberations was the Dumbarton Oaks proposals, and it was necessary to have a good number of nations support the Canadian contention that these proposals ought to be considered along with the Dumbarton Oaks proposals themselves. That was done, and the bases of the discussion of economic and social co-operation in that conference were not only the Dumbarton Oaks proposals but the Canadian draft as well. The Canadian draft was much more extensive, more practical and certainly much more effective.

It finally came to pass that the San Francisco conference voted to include very largely the Canadian proposals rather than the draft Dumbarton Oaks proposals in the United Nations charter. In other words, there were more words, more expressions and more clauses in that section of the United Nations charter put there by Canadians than by any other nation in the world. Those of us who were delegates felt very proud at the time. It gave us some pride in having given a lead to the world in connection with that matter. I believe the time has come for this Canadian parliament to give a lead again, a lead which I feel is very appropriate from the standpoint of Canada herself.

First, I should like to see the standing committee on external affairs deal with this matter, and if it is felt that there should be a special committee set up, drawn from the membership of the standing committee, that is all right, because I have no particular ideas about the structure of the committee. I think no time should be lost in having the committee go over the entire charter of the United Nations, review it thoroughly, and have full discussions and deliberations with respect to it so that well before the expiration of the ten-year period the Canadian delegation at the United Nations Organization meetings will be able to come before the world and to say: We have given study to the revision of this charter; these are the results of our deliberations and our careful

consideration of it; and we as a delegation present it to the United Nations for approval, rejection or amendment.

I am going to make that suggestion as a help to our Canadian delegation. I do so with one thought especially in mind. If the United Nations Organization is worth preserving—and with every bit of conviction at my command I say that it is—then it ought to be worth the time of the members of this house who are interested to give study to it so that it would be an improved and modernized version of the charter that would be presented by the Canadian delegation, at the appropriate time, to the general assembly of the United Nations Organization. I leave that thought with the house in the hope that it will be regarded as a constructive suggestion aimed at improving not only the United Nations Organization itself but also as a step towards permanent peace.

I also want to deal, if I may, with another matter which came before the standing committee on external affairs on previous occasions. I refer to the passport situation. I am sure that matter will be dealt with again during the present sittings of that committee. I think it was in 1950 that the question of passports to those who wanted to leave this country for purposes that, to say the least, were rather suspicious, came before that committee for consideration. There were a number of members on all sides of the house who took an active interest, and the committee itself showed keen concern with respect to the deliberations that ensued. For instance, in the report of the 1950 standing committee on external affairs one finds these words:

> Your committee recommends that the Department of External Affairs actively re-examine at once the question of the issuance and revocation of passports granted to Canadian citizens whose loyalty to alien systems of government take priority over loyalty to ours.

That was a matter that was debated in the committee. Later on in the report of the 1952 committee on external affairs, a follow-up of that question was made:

> That ways and means for dealing more effectively with Canadians whose sympathies appear to lie with countries behind the iron curtain and who travel freely between Canada and those countries should be kept continually in review.

I want to bring that matter to the attention of the house at the moment because I think it is one which is engaging the attention and the concern of a good many Canadian citizens today. I was interested in hearing what the Secretary of State for External Affairs (Mr. Pearson) said or is reported to have said at Guelph in connection with the matter of witch-hunting. I think all members of this house who are possessed of good common sense will agree that witch-hunting is not a thing that is part of the character of our own Canadian people. It is not the kind of thing that Canadians are in favour of. Moreover, it is a thing that I think Canadians will revolt from at every opportunity. But I want to say this. While emphasizing the statement that there must be no witch-hunting, we must be careful that we do not lean backwards in the other direction. I think there should be a close vigilance with respect to those who have been, during these years, deliberately blurring the loyalty line between Canadians and other nationalities abroad who have a different way of life from ours. I think it would be unfortunate if we encouraged that kind of blurring of Canadian loyalty in the days that lie ahead by any statement that would indicate that we are not in any way fully vigilant with regard to the problem in that connection.

In the United States, of course, there are something like six stages which must be gone through before a passport is issued. Perhaps those stages would not be applicable to our own nation and I am not suggesting that they should be. But there has been a tightening up of the regulations across the line, and perhaps this committee ought to consider how far we in Canada can go to meet the situation and at the same time preserve all those elements of freedom to which we have from time to time declared, and will continue to declare, our adherence.

I must say that I have nothing but contempt for Canadian citizens who are prepared at any time to sell out their own team for another. I think that a Canadian citizen has a right either to play ball with his own land or to go to some other land where he thinks he can play ball better. In the United States not so long ago—and I am sure it could apply to many other countries as well—in the realm of sport—in basketball, I think it was—a national furore arose over the fact that men had sold out their own team. Still I think it is important that we bring to the attention of the Canadian people that there are in Canada those who are selling out their own team. In all fairness to those others who play on the team and to whom we owe a greater responsibility than we owe to those who would sell us out, I think we ought to consider carefully just how far we allow passports and the great privilege of Canadian citizenship to go to those who admit, in some instances, or who have admitted that they

owe a higher loyalty to another government and another philosophy of life than they owe to our own.

I think that those are matters which ought to come before the standing committee on external affairs. It seems to me that the time has come when we must give careful consideration to how far we can go in connection with this matter. When I make those suggestions I want to make it perfectly clear—and I think everybody in this house would want to have it made perfectly clear—that our elementary desire is to see that the freedom of the individual is a thing that always must come first; but I want to point out that there comes a time when we perhaps have to consider whether or not the freedom to destroy freedom itself has to be curbed to the extent required.

I just want to pass on, if I may, to another point which I think has been dealt with by the external affairs committee in previous years and which I think deserves attention again on this occasion. In previous years, during the sittings of that committee, the question of the international service of the Canadian Broadcasting Corporation came up for review. In one of the reports of that committee it was indicated that some closer liaison should be effected between the Canadian Broadcasting Corporation's international service, which beams their programs to other countries, as you know, the external affairs department, and the minister responsible for the policy which is beamed to those other places.

I know one of the steps the government took in connection with that was to take the Hon. Jean Désy, who is one of the very able diplomats in the foreign service, and to put him on the Canadian Broadcasting Corporation's international service. When the external affairs committee is set up, Mr. Désy ought to be brought before that committee. We ought to know what is going on in connection with our international service. There are certain questions that come to my mind which ought to be made clear to the Canadian people. First of all, what is the over-all policy and purpose of the international radio service? Second, how closely is it tied in with the minister and the Department of External Affairs? Third, to what minister are Mr. Désy and his staff responsible, and what department determines the policy so pursued? Fourth, if he is serving two masters in connection with this matter, then the committee ought to know. Fifth, does our policy mesh, for instance, with the "Voice of America" program and the British Broadcasting Corporation's international service? In that connection we ought to be told whether those services are being duplicated and where the duplication arises. More than that, if the Canadian Broadcasting Corporation's international service is attempting to follow both of them, it will have to be a masterpiece, because they do not always follow each other. It is important because this country may have to give the lead in seeing that there is a synchronization of the type of beaming of programs that goes on to other countries behind the iron curtain. It would be unfortunate if there was a babel of voices reaching to those very vulnerable areas to which we are trying to direct our attention today.

In addition to that, what do we hold out to Europe? In these international broadcasts do we hold out the lure of containment or liberation, or what is our exact line of policy which we hold out to them from time to time? What steps has the government taken in line with our NATO policy of unification to get closer to the single voice idea? For instance, I should like to see the committee have the opportunity of hearing the recordings of these international broadcasts that are beamed to certain countries. We should have some samples of the programs so recorded because, it seems to me, in all our domestic work we watch the Canadian Broadcasting Corporation very closely. But I do not think anybody in the house has the slightest idea what is beamed by our international service to other countries of the world. I think that is important. It is something that ought to be opened up. The public ought to know exactly what the facts are. We can then decide whether the policy which is being pursued is an effective and apt one for Canada to pursue at this time.

I come to another point that I think will have to be considered by the standing committee on external affairs. This is a matter which has arisen by virtue of the Auditor General's report. On page 21 of the Auditor General's report the Department of External Affairs comes in for some comment. I wish to take the time of the house to read the paragraph which deals with an alleged irregularity. It is No. 49 in the Auditor General's report on the page I have just mentioned. This is what Mr. Watson Sellar says:

> Who is a Canadian citizen within the ambit of vote 90? That is the question which causes attention to be drawn to an unusual case which resulted in a $3,620 charge to that vote, which reads: "To provide for relief of distressed Canadian citizens abroad". Annually, parliament provides a sum ($20,000 in 1951-52) for the relief of Canadians who, for one reason or another, are destitute in foreign lands and are regarded by Canadian representatives abroad as persons who, in the interests of Canada's international repute, . . .

I emphasize that:

—who, in the interests of Canada's international repute, should be assisted or brought back to Canada. No person may, as a right, demand financial assistance, and ordinarily advances take the form of loans, though recovery is not invariably effected.

Among those assisted in 1951-52 was a naturalized Canadian of Polish origin who returned to Poland in 1949 at the expense of the Polish government. Subsequently he applied to the Canadian legation in Warsaw for financial assistance in order that he might return to Canada.

Mr. Diefenbaker: A good citizen now.

Mr. Graydon: I continue:

He undertook, in writing, to repay any money advanced, after his return to Canada. Pending the obtaining of an exit visa, the legation made advances for hotel accommodation and meals. On October 27, 1951, the Polish government informed the legation that no exit visa would be issued, and on November 16 further advised that prior to leaving Canada the man had applied at the Polish legation in Ottawa for admission into Poland as a repatriate. This statement was confirmed by the man himself on November 23. Nevertheless, advances continued to be made to cover expenses until January 19, 1952. In all, the man's expenses were paid during the period from July 1, 1951, to January 19, 1952, but it is the propriety of the payments after November 23 which is of concern.

Perhaps the amount for all his hotel accommodation and meals ought to be in question as well, but the Auditor General does not mention that at this time. Certain questions come to one's mind, and they will of course have to be answered by someone in authority in connection with this. First, what definition does the department use as to who is a Canadian citizen when relief is extended to Canadian citizens abroad, because this seems to be an unusual situation for the ordinary Canadian citizen to find himself in? Second, the committee should be told who is the man that received this aid in that year and how much he obtained. In addition to that, what is the state of collections generally in connection with this account that is from time to time utilized for Canadian citizens abroad? When the government is answering that question I should like to know why this particular person who got this money wanted to go to Poland in the first place and what reasons he gave to the government here for wanting to go. If I may say so, it ties in with what I have said before, that we must not allow a lot of looseness in people running all over the world under the cloak of Canadian citizenship and then finding themselves hard up and the Canadian government having to put up money. That does not sound sensible to me. But on the other hand I am only asking a question so that the government will have time eventually to answer it.

In addition to that I should like to know why the Poles were anxious to get him behind the iron curtain. They paid his fare to get him there; that is what they did. We did not pay his fare for him to go there, we just looked after him once he got there. The next thing I should like to know is, why were his expenses paid from November 23 to January 19, 1952, after he and the Polish government had said that he had applied at the Polish legation in Ottawa, not as a Canadian going over on a trip but as a Canadian who wanted to go back to his own country and stay there as a repatriate.

I would think that, having looked at that situation and having in mind what the Auditor General has said, it would seem that whoever that party is—I hope we shall not be denied too long being told who he is—he has perfect justification to laugh up his sleeve at the government here for being able to extract so much money, so easily for so little. I think it is important that this matter be investigated at once. After all, if I may be permitted to interject something facetious in the middle of a most serious comment, if horses on the payroll by proxy is bad, I do not think we want any Warsaw sympathizers to get on the gravy train as well. I think that is something we had better be careful about. I want to leave that with the minister for his rumination and consideration. I think I may say that, as far as the committee is concerned, these are four matters which I fancy will take up some time when it finally convenes.

I want to come, if I may, to the question of our position in Canada with respect to the change of government in the United States of America. I am afraid I cannot congratulate the minister upon his exhaustive review of United States policy in the Far East, but I do congratulate him upon his dexterity in tiptoeing through the tulips on some of these things. I think he did that very well. I want to deal with these matters, perhaps not very exhaustively, but because I think it is important that some reference be made in our Canadian parliament to the situation brought about by the change in the United States government.

Along with others in the house I was in the United States during the presidential election campaign. I think those of us who were there gained an indelible impression of what happened and of the factors and features of that campaign, things which did not always reach beyond the borders of the United States. United States policy seems to me to have stiffened rather materially as has been indicated by President Eisenhower in his state of the union address, and I think it may properly be said that this is a

direct result after all of the feelings of the United States people as one found them expressed during the election campaign.

At that time some newspapers said that there were three main things concerning the United States people prior to and during the election itself—Korea, corruption and communism. I am not going to attempt to deal with domestic matters in the United States because it is none of my business, nor perhaps are some of the foreign policy decisions that may be made from time to time; nevertheless, I think there is some indirect interest and sometimes a very direct interest in Canada in what is going on, particularly in the minds of those who are legislating with respect to the leadership of the world, as the United States is now doing.

One could see during that election campaign that the patience of the United States people was wearing pretty thin. After all, that is a nation which does not take too well to stalemates. More than that, I think one can say that its national emblem will never be a snail. Against that background I think we have to assess the position in which we find ourselves now in connection with the stiffening of United States policy, both in Europe and in the Far East. After all, we must not forget that the United States people have been pretty well provoked, pretty well annoyed and pretty well exasperated by the stealthy under-the-table aggression of the Soviet republic down through these years.

I think one can very readily understand the position that they took. After all, General Eisenhower as President of the United States is not just entirely responsible to the British nor is he entirely responsible to Canadians, nor is he entirely responsible to other countries. He is partly responsible to his own people as well, if I may put it in that way. As you know, his own people demanded something more firm and positive in the way of policy in the interests of peace itself. I think we can connect the ending of Formosan isolation with that desire for positive action which was indicated so far as the state of the union speech was concerned.

I think most of us in this parliament, in looking at the situation from the commonsense point of view, will say that a firm and positive policy, rather than a policy of hesitation and appeasement, brings peace rather than war. I think there are two good illustrations of that to be found without going very far back into history. One of the first is the Berlin blockade when there was no hesitancy and no appeasement. A strong and firm stand was taken at that time. In addition there is the NATO alliance, which the minister endorsed again this afternoon, and which of course we all endorse. That is another example of what I mean. The NATO alliance was a pretty positive action to take. It was a stiffening of our position right across the board. There were many people who thought it was dangerous, that it might provoke war; but instead of that I think most of the apostles of peace today will say that NATO has had a very great stabilizing effect and has been responsible largely for the advance we have made toward a peaceful world.

One hears from time to time about the provocation caused by United States moves in the Far East and the like; but we should not forget that if we want to find real examples of provocation all we need do is to follow the sordid story from the absorption of Poland at the close of this war down through the peace in the Balkans, to Hungary, Czechoslovakia, China and then to Korea. We find there a period in which provocation reached its highest level in the world's history.

While there may be criticism from time to time of the position which the Americans take on matters of such a delicate nature as this, nevertheless I think it is important that we realize that Canadians had better not be too thin-skinned about the whole question of our relationships in the free power community. I think that at no time should we be hesitant about putting our best foot forward and raising our voice in consultations with respect to the formulation of policies. But after the state of the union message was delivered by President Eisenhower I was not one of those who thought that there was anything in that speech for the Canadian people or the Canadian government to be worked up about. I think what the minister has said in his speech rather indicates that perhaps we are not alone in holding that view. It seems to me that so far as Canada is concerned we have some responsibility in connection with the question of consultation, if you like, because there will be many Canadians who will say that we were not consulted about the deneutralization of the straits between Formosa and the Chinese mainland.

There may be perfectly good reasons why we should have been consulted; but on the other hand let us not forget that, despite the fact that the minister never seems to have entirely agreed with us, we on this side of the house have been calling for a Pacific pact for a long time. When speaking yesterday the minister said that he would like to have somebody point out to him a good reason why we should enter into such a pact

at this time. Then he went on to raise four very large roadblocks which I suppose he figured nobody would get over. I want to say to the minister, however, that, so far as a Pacific pact is concerned, if there ever was a good argument in favour of having a pact so that nations with an interest in the Pacific theatre could have a chance to put their feet under the table, consult each other and talk things over, it can be found in the very fact that there are Canadians who think we ought to be consulted on matters such as Formosa and other places, and I believe the opportunity to do that would come best through having a Pacific pact so that the opportunity would be there. It would be agreed upon and it would be a right.

In the light of the present situation, with a stiffening of United States policy in the Far East and elsewhere, I think it is essential for Canada, despite the denials of the minister, to have a voice, to be consulted and to sit in on policy decisions in the Pacific in the same way as we sit in on policy decisions on the North Atlantic area. I should like to point out something else in passing, and this is one thing that does sadden me a little so far as the question of division in approach and policy is concerned. Since the change in Russian policy last summer—at least it was an announced change—as the result of which they emphasized the need of dividing the free world and conquering it, there is one thing that we have to be very careful about in this parliament and elsewhere. We must be careful not to play any part in dividing the free world. I think we in this chamber have a responsibility to make sure that we do not play any part or contribute in any way to a repetition of the Tower of Babel performance of biblical times.

There are enough people trying to divide the free powers without our helping them. I think that Canada has a very important role to play in bringing together the divergent views—and there are divergent views—among those who are numbered as our most valuable allies and friends. I hope that as time goes on we shall play our full part in bringing these friends together and that statements will not be made in this house which will only give comfort to a prospective enemy in the days that lie ahead. I have read the remarks made in the British House of Commons by one who would like to be the leader of the Labour party in that country. I must say that I cannot see how Mr. Aneurin Bevan can be regarded as a man who is bringing great international statesmanship to the consideration of these matters. From what I can gather his statements mean rather the introduction of international mischief amongst the free powers of the world rather than constructive international statesmanship. I would hope that as time goes on we in Canada will make sure that our criticism is at least constructive and designed, so far as it is possible for us to do so, to bring our friends together instead of making it more difficult for them to work with each other.

I come now to the European defence community which the minister mentioned yesterday and again at the end of his speech this afternoon. I know that when Mr. Dulles made his off-the-cuff speech with respect to the European defence community there were those who rushed on the platform, on the radio and to the press with violent denunciations of the ultimatum that the secretary of state of the United States had delivered to the European powers. I would think that today an ultimatum is distinctly out of place among friends, and if I thought that Mr. Dulles had given an ultimatum I would be the first one to criticize his position.

I think in all fairness, however, we have to consider that when General Eisenhower was a candidate for the presidential post in the election campaign of last October in the United States he made this statement:

> If at the end of seven years after world war II and $33 billion of foreign aid the central problem is as far from solution as it is today, I think something has been wrong in our thinking. Certainly we must find a substitute for the purely temporary business of bolstering the free nations through annual handouts. This gets neither permanent results nor real friends.

What Mr. Dulles said in his off-the-cuff speech, as it is often referred to, was in my opinion designed to give some encouragement and impetus to the advancement towards unity of the free nations of Europe. It may have been that some of the words he used were not the type of words that would be used by experienced diplomats, but nevertheless they were designed as a reminder that the 1947 Marshall plan had as its original purpose the helping of the European countries to get their own houses in order.

I must confess that I was very interested in what the minister said and most encouraged that he took such an optimistic view of what had been done in the North Atlantic Treaty Organization, because I think that kind of news will be most welcome to everyone in the house. Nevertheless one of the things that I think we have to recognize is that there has been a new upsurge of nationalism in certain countries committed to the European defence community, and in addition a restatement of United States prin-

ciples and policies towards the European defence community was perhaps felt to be in order. It seems to me that after the visit of Mr. Dulles and after his speech there has been a quickening of the movement towards unity in Europe. I hope that will be the sole result of the speech he delivered and the visit he made to Europe after delivering his speech.

I think one of the things we shall have to recognize in connection with the European defence community, something which I imagine is at the root of the difficulties, and which Mr. Dulles no doubt found out in his visit, is that the United States cannot be isolationists in trade matters and international in defence matters at the same time. I think that is a fair statement to make. It seems to me that those things do not go hand in hand. As the President, then the Republican candidate, said in October, certainly we must find a substitute for the purely temporary business of bolstering up free nations through annual handouts. After free nations have been put on their feet or at least after they have been given an opportunity to proceed, then of course there must not be roadblocks put in their way to further advances. They have the problem of trying to find markets for the things which they manufacture and have to sell. The result is that some people in the United States say that Europe drags her feet in defence; but some in Europe could say that the United States drags her feet as far as trade is concerned.

I was very pleased indeed, and I know that the minister was because he mentioned it in his speech, that in his state of the union address President Eisenhower indicated a desire, and a movement which he was then initiating, to free some of the channels of trade from some of the annoying barriers that have existed. The difficulties relate not only to tariff barriers but to administration obstacles as well. Those of us who have had some experience with administrative obstacles in so far as trade with the United States is concerned will relish and welcome that approach and the legislation which the President has in mind.

While we said at one time that the military was the prior consideration in connection with the European defence community, and it still must have top priority, nevertheless—and we have discussed a number of other things as well—we have to add trade as part and parcel of the building up of our North Atlantic Treaty Organization. It is now assuming a position of vast importance, as is indicated by the various conferences on trade which have taken place.

In concluding what I have to say in respect of the European defence community, I think we are very much indebted to various statesmen from the countries in Europe and the United States who have borne so much of the burden in the heat of the day while welding out something which most people thought could never be done. But it is being done; and in the preliminary steps, because after all I suppose these are only preliminary steps, the free world has made progress. I hope that Canada will continue to give every possible attention to having it progress and progress further. There are only three nations—our own, the United States and the United Kingdom—who have given legislative approval to the protocol for admission of the European defence community into the North Atlantic Treaty Organization. I hope that it will not be long before the remaining nations do likewise. I can understand, as I am sure the government can understand, the feelings of the United States government when, after we had rushed in, endorsed, and given legislative approval to that protocol last July, in the belief that we would not have time to wait for another session of the house as it was urgent, we find that in February of this year the protocol has not been endorsed. We should have a frank discussion on both sides about what must be contributed and what must be done, and Canada must proceed, as she has done before, to give every possible support to this growing and healthy international child which we hope will become a man of peace in the days that lie ahead.

I now wish to deal with a matter which is close to the hearts of all Canadians, since it has to do with our own international family. In June the coronation will take place. There will be a family reunion of a very unique character, a family reunion that has no parallel in the world's history. I was looking over the statistics in connection with the British commonwealth and empire itself and I was very interested in the figures concerning those who compose that commonwealth and empire and who will be represented at that great coronation ceremony in London in June. I was interested to learn that out of 613 million, the total number of people in the British commonwealth and empire, there are 454 million in Asia. In Europe there are about 51 million, in Africa 79 million, in Australasia 11½ million, in Oceania 511,000, and in our own hemisphere a matter of something like 16 million people. I think those figures tell us a story all their own. As far as I can gather, we have three-quarters of the commonwealth and empire living on the continent of Asia where perhaps some

of our greatest hopes and some of our greatest fears in connection with the future lie. I think it is important to consider that situation now, when the coronation is about to take place. There lies perhaps the germ of hope which in the future may bring a co-operative world peace which some of us have been dreaming of for so long.

In addition, when we are speaking of the problem of colour, and it is spoken of sometimes in connection with these matters, only one out of every five members of the British commonwealth and empire has a face of the colour we find in this parliament here. I think that indicates too the breadth of the association and, more than that, the great strength and power for the future which rests in the commonwealth and empire itself. I am sure that everyone will agree that the coronation is a revitalizing force for peace and stability, not only in our part of the world but in other parts as well.

I come now to a matter in connection with our relations with the motherland and with other parts of the commonwealth itself. I have not discussed it with anybody so nobody has to take any responsibility for what I say in connection with it—if they ever do anyway. I want to put this idea forward because it is a matter which affects parliament and it is a matter which will, of course, affect the next government of Canada perhaps more than it will affect this government. That is the reason I do not want to direct my remarks to the present government—because you never can tell—

An hon. Member: You do not need to prophesy.

Mr. Graydon: I want to mention the matter because it has been very close to my heart and because I think it may commend itself, and I hope it will commend itself, to the house membership at large. I presume that the twenty-second parliament of Canada will open in 1954. When it does open, it will be a new parliament. I fancy there will be a lot of changes in that parliament, but regardless of that I think it is a good time to make a start on what I suggest. I know that there will be a mass of constitutional thickets, brambles and underbrush to be cleaned out before this can be done, but where there is a will there is a way. I would hope that in this case there would be both a will and a way. I know that officialdom will look askance at the suggestion I am going to make, and perhaps that will go farther than officialdom. In any event, I believe that, at the opening of the first session of the twenty-second parliament of Canada, this country should arrange for Her Royal Highness Princess Margaret to come here and open our parliament at Ottawa. This suggestion is not made, as the Governor General himself will know, with any reflection upon him because he has every opportunity to open and close parliament on other occasions.

I feel there is something worth while in the suggestion of having a member of the Royal Family come here and open our proceedings once in a while. I know that we cannot always have Her Majesty come here because she has other duties to perform. At that time she will have gone to the antipodes and other parts of the empire. I am sure that in Canada there is a great desire, particularly amongst the young people, to have Princess Margaret come here. I should like parliament to take that suggestion into consideration, and when the time comes to extend an invitation to that very popular, charming and talented member of the Royal Family to initiate our legislative proceedings.

I am going to close my remarks, if I may, by simply quoting from the last paragraph of a broadcast I made only a few weeks ago. It reads as follows:

> In the midst of this uneasy peace the coronation of Her Majesty Queen Elizabeth the Second stands out as a significantly peaceful event. It is a family affair and the commonwealth and empire family will present, as it gathers together on that historic occasion, a unique picture against the blurred and tense background of international relations. In this family circle will be men and women of good will drawn from every continent of the world, for the commonwealth and empire girdles the globe. Because it is a voluntary international family embracing in its membership peoples of diverse colour, nationality, race and creed and with a vast majority of its members who are Asiatics, it may well turn out to be the most powerful link in bringing permanent understanding and harmony between the Occident and the Orient of any comparable organization in the whole of the world's history. The crown that will be placed upon the head of the charming and talented Elizabeth next June may be the focal point of a new and successful approach towards a bridging of the gap between the east and west, which badly needs to be bridged if stability is to be the keynote of world relations in the days of tomorrow. We live in dangerous and challenging times but the clouds about us are not without their silver linings. The prize of lasting peace is a precious trophy and Canadians will continue to strive with all their might and main to possess it.

Mr. Angus MacInnis (Vancouver East): As my time is limited, Mr. Speaker, and the time of the two preceding speakers was not, I shall have to deal more directly with the various matters with which I shall try to deal. I shall only deal with one or two points arising out of the speeches of the minister and the hon. member for Peel (Mr. Graydon).

I should like to congratulate the Secretary of State for External Affairs (Mr. Pearson) upon his election as president of the seventh session of the United Nations general assembly. It is some time since he was elected, but this is the first opportunity I have had in speaking across the floor to extend my congratulations to him. I am one of the fortunate few members of the house who have had the opportunity of being at the general assembly with the Secretary of State for External Affairs, and I know how well he is liked and apparently how well he is appreciated by the other delegates there. He has, if he does not mind my saying so, many of the qualities that make for a good presiding officer. He has that pleasant appearance and disarming smile, and yet enough iron in his make-up to be tough when such a policy is required.

The house listened to the minister yesterday with keen interest. Perhaps they had hoped he would refer to some of the things to which he did not refer. I should like to comment on many of his statements, but as I have already said I have not the time. I shall, however, refer to one or two. I do agree with him when he says that political co-operation and economic conflict are difficult at times to reconcile. I believe that is a definite understatement. I believe that co-operation on the military and political levels will ultimately prove impossible unless we have co-operation at the economic level. In recent times we have seen that our efforts at co-operation on the political and military levels could be retarded by the economic actions of one member in the co-operating group.

During the course of his remarks the Secretary of State for External Affairs referred to Japan. He said something which, because of a personal association, I am going to refer to. At page 1854 of *Hansard* for February 11, 1953, he said:

> Political considerations reinforce these economic reasons for reasonable trading relations with Japan. If she is to be retained as a healthy and reliable friend and ally in that critical part of the world, we and the other free countries must be prepared to join with her in working out satisfactory arrangements for maintaining and expanding the trade on which we are both so dependent, and on which she is especially dependent, as she sees her markets on the mainland of Asia being curtailed or possibly being lost because of political difficulties.

I am in complete agreement with the minister when he makes that statement. The reason I am referring to it now is that for years during world war II I tried to get the government of this country to deal more democratically and with greater justice with persons of Japanese origin who were unfortunate enough to be residents of Canada at that time. I did not have any great success. In speaking in this house on May 14, 1946, I said:

> They fought in the last war when Japan was our ally.

That is the Canadian Japanese.

> Let us not forget that there may be another war, and when the wheel of fate stops at the next war, the Japanese may again be our allies—who knows? If so, these little brown devils of today will be the little brown heroes of twenty-five years hence.

It really has happened much quicker than I expected. I refer to the fact that I said Japan would again be our ally.

It is only seven years and while it is not yet war—well, it is a cold war—they are our friends and allies. To the Secretary of State (Mr. Bradley), under whose department matters concerning these people come, I would suggest that the time is not yet too far past when justice should be done to some of these people whom we despoiled during the last war.

Mr. Speaker, most of what I shall have to say at this time will be concerned with President Eisenhower's announcement in his state of the union speech to congress; and in that regard it will differ from the speeches of the two hon. members who preceded me in this debate. I refer to the announcement that the seventh fleet would no longer be used to prevent attacks on the Chinese mainland by the forces of Chiang Kai-shek operating from Formosa. I was rather amazed that the Secretary of State for External Affairs (Mr. Pearson), by a certain amount of dexterous footwork, avoided reference to this question altogether. I was equally amazed when the hon. member for Peel (Mr. Graydon) took the minister's silence as meaning that the government agreed with the attitude of the official opposition in regard to this matter. If I heard him right he said that in Canada it was not really accepted as a question of very great importance. All I will say to that statement is that the hon. gentleman cannot have been reading the editorials in Canada's newspapers since February 2 when President Eisenhower made his statement.

Mr. Graydon: I did not say that, if the hon. member is quoting me.

Mr. MacInnis: I did not quote verbatim; I said "if I heard the hon. member right". If the hon. member wishes to repeat what he actually said, I shall be glad to have him do so.

Mr. Graydon: I should be glad to do that. I perhaps could not repeat what I said word for word, but as I recall it what I said was that I did not think it was something that

Canadians ought to get all worked up about. Those were the words I used.

Mr. MacInnis: Canadians get worked up only about things over which they are concerned deeply. In my opinion no statement by the head of a government in recent times has caused so much consternation throughout the democratic world as has the statement made on February 2 by President Eisenhower. It caused consternation throughout the world because there is great fear that this move by the government of the United States may be merely the prelude to further action that can have no other end but the extension of the war in Korea and ultimately, we all fear, war on a world-wide scale.

It will be remembered that the Truman order with regard to Formosa issued on June 27, 1950, operated in two ways. The first sentence of that order was not the protection of the Chinese mainland from the nationalist forces. The first sentence in that order was:

> I have ordered the seventh fleet to prevent any attack on Formosa. As a corollary to this action, I am calling upon the Chinese government on Formosa to cease all air and sea operations against the mainland.

So the seventh fleet was instructed, first of all, to prevent any attack on Formosa and second, the nationalist government of China was instructed to cease all air and sea operations against the mainland of China. The new United States policy is to allow the nationalist government of China to carry on operations against the mainland. It is reversing the first part of the Truman order, but I think it goes further than that. I think it encourages the nationalist government of China to carry on operations against the mainland. The seventh fleet is still to be used to prevent attack by communist China on Formosa.

Mr. Browne (St. John's West): Eisenhower did not say that.

Mr. MacInnis: He did not say that it would not do it, and he did not rescind that part of the Truman order. He only rescinded the first part of the order. If he did not rescind it, it is still in effect. I do not see how that sort of policy can be carried out by the United States without becoming involved in the Chinese civil war. Last Thursday—that is a week ago today—the Secretary of State for External Affairs, elaborated on a statement made by the Prime Minister (Mr. St. Laurent) on the previous Monday in reply to a question asked by me. I am only quoting part of the sentence but it does not misconstrue what the minister said. As reported at page 1639 of *Hansard* he said:

> . . we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has.

[Mr. Graydon.]

I agree absolutely with the minister. But neither should the civil war in China be confused with the war in Korea. The Canadian government and the Canadian people have assumed obligations in connection with operations in Korea, but neither the Canadian government nor the Canadian people have assumed any obligations in connection with the civil war in China, and we should not allow ourselves to become involved in any way in that war.

I am drawing attention to this matter because in my opinion there is danger that the recent action of the United States government may involve us in that struggle. I therefore say that now is the time to tell the United States government that we do not intend to become involved in the Chinese civil war.

In this connection I wish to quote some statements on the Korean war made by the Secretary of State for External Affairs and gathered together with some other statements and papers by the Department of External Affairs in a booklet entitled "Documents on the Korean Crisis". Speaking in Windsor on November 15, 1950, the secretary of state drew attention to a statement made by him in the house on August 31 of that year. I shall read that statement into the record:

> I would like to emphasize also that it is not the purpose of this government to support any course of policy which will extend the scope of the present conflict in Korea, a conflict which should be confined and localized if it is in our power to do that; and, if not, a policy which should avoid giving anyone else an excuse for extending it.

That is the end of the quotation taken from *Hansard*. The speech continues:

> That has been the policy of the Canadian government from the outset of the war in Korea. It is still our policy today.

That was in November, 1950, and I would hope that that is still our policy in February, 1953. If it is not our policy we have not heard of any change. I continue to quote the remarks of the Secretary of State for External Affairs at the Windsor meeting as they appear in the same document:

> The same desire to localize the conflict and prevent it from spreading has dictated the policy which we have followed and will continue to follow over Formosa. We appreciated the necessity for action which President Truman took on the 27th of June in ordering the United States seventh fleet to defend Formosa, because it seemed to provide a way of neutralizing that island during the course of the fighting in Korea.

If we are going to accept without protest the new policy of the United States in this matter, then we should be ready to change our former policy, because it is likely that a change will have to be made.

For the benefit of my friend the hon. member for Peel (Mr. Graydon), who does not think that this is a matter of great concern to the people of Canada, may I be permitted to quote excerpts from a few editorials. The first one is from an editorial appearing in the Toronto *Globe and Mail* of February 2. It had to do with reports of the new Eisenhower policy, and was written before the statement itself was made in congress. It is entitled: "A new Formosa policy" and reads:

> Clearly, then, the suggested new Formosan policy carries the danger of a third world war; and it is not surprising that the nations allied to the United States have shown some alarm at the Washington report. It may be that President Eisenhower has convincing evidence that the Mao government would topple quickly and would get no substantial aid from the Soviet union. If so, however, no inkling of this important knowledge has reached either the general public or the governments of the western world. They will wait with some anxiety for a clarification of the news.

The *Globe and Mail* is not a paper that is given to editorializing on questions like these, without having some real foundation for what it says. The *Globe and Mail* thinks President Eisenhower believes that with a little help from the outside the communist government in China would fall. If anyone has such ideas in his mind he should get rid of them at once because they are merely wishful thinking. Dictators do not get control of governments to let go of them that easily, and assistance or interference, as happened in the Soviet union, will merely make the communist regime in China more secure, rather than less.

We have another forthright editorial in the *Financial Post* of February 7, pretty nearly a week after the event. Some mention was made by the member for Peel of Bevan or Bevanites. I do not think the *Financial Post* can be accused of Bevanite leanings, at least I have not noticed any tendency in that direction up to the present. But the *Financial Post* is no less outright in dealing with the new Eisenhower policy than was the *Globe and Mail*. The editorial is entitled: "Easy, Mr. President, Please", and it goes on:

> We foreigners didn't feel very comforted by the recent foreign policy pronunciamentos of Mr. Dulles. But President Eisenhower's first foreign policy move is disturbing. It is to unleash Chiang Kai-shek's Formosan forces and let them "raid" the Chinese mainland. At least one unhappy thing about this decision is that it widens the rift between the United States and its allies.
>
> Its military advantages will be insignificant compared with its political disadvantages. It can only strengthen Asian suspicions of the United States and the west.

And any policy that does that—if it does only that—is a policy to be avoided. I continue:

> Chiang Kai-shek's forces on Formosa, however they may appear to the American "China lobby," are widely regarded as American puppets. They are certainly so regarded by the people of Asia far outside communist Chinese ranks. If they have any military value they owe it to the Americans.
>
> The price we must pay in order to inflict trifling pinpricks is to give the communists a perfect pitch for new talk about American aggression.

There again I say that even that, if it could be avoided, should be avoided. The editorial continues:

> Political pressures at home have driven Mr. Eisenhower into a policy move whose unfortunate consequences will be felt abroad. Canada cannot be expected to applaud or approve, though we have nothing for it but to acquiesce.

I do not believe we should accept any policy formulated by the United States, or by any other member with whom we are associated in Korea, without protest if we do not agree with that policy. I continue:

> The weakness which has bedevilled the Korean operation has been impatience. For this it is not fair to blame only United States leaders. They are under great pressure from a people who are naturally impatient. The Russian and Chinese leaders have the double advantage of followers whose patience has been proverbial and whose likes and dislikes don't matter anyway since they may not be expressed. Dealing with such people, the crying need is for western patience.

When a paper of the standing and political leanings of the *Financial Post* writes an editorial such as the one I have just read it indicates that the concern in Canada is very great indeed. I now come to my last quotation, and it is taken from the Calgary *Herald* of February 3. I am quoting only an excerpt from the editorial:

> We hope the Canadian government will remind President Eisenhower of these things, and more important, tell him that Canada wants no part in any "incidents" out of Formosa. Canada should warn the United States that this nation will not have itself involved in any fights started by or resulting from action by Chiang Kai-shek. And it should make its position clear immediately as undoubtedly other friends will be doing. For the new President seems determined to chart a course on a potentially stormy sea.

Despite what the hon. member for Peel says, I am firmly convinced that the sentiments expressed in these editorials are the prevailing view in Canada of the new United States policy. My interpretation of the news from the United Kingdom is that the newspapers there, after allowing for time to study the implications of the new Eisenhower policy have been even more forthright in condemning it than have the Canadian papers.

I think the danger most people see in this new policy is not just the fact that it allows the nationalist forces on Formosa to invade

he mainland of China; it is very doubtful f they can do that, anyway, without assistnce from the United States. The danger people see is in the probability that this particular decision will extend the war, and also the fear that it is only the first in a eries of decisions that will involve the world n world war III. I think there is plenty of evidence of this already, such as the proposed blockade of China. In yesterday's *Evening Citizen* there was an Associated Press dispatch from Washington that General Omar N. Bradley was reported to have told congress Tuesday that arms shipments to Formosa are being stepped up.

That is merely an indication not only of what is likely to happen but of what is really happening. The government of the United States seems to take the position that because of its wealth and power it can make decisions involving the other nations associated with it n fighting for freedom merely by informing hem of intended action.

When the Prime Minister (Mr. St. Laurent) spoke in reply to my question in regard to he new Eisenhower policy on February 2 ne said that the Truman policy in regard to Formosa was undertaken by the United States without consultation with other countries, and therefore President Eisenhower was merely following that precedent in applying his new policy to Formosa without consulting other countries. I do not deny hat the United States undertook the Truman policy without consultation with other countries, but I will say that the nations fighting n Korea at that time were not as closely ntegrated as they are now. I doubt if any nation had troops there at that time except he United States.

I must insist that a united, integrated foreign policy cannot be carried out if one of the countries concerned insists on its right to take separate action whenever it feels like it. Such a policy, if persisted in, can lead only to mistrust and bitterness and ultimately to utter confusion. It can benefit no one but the common enemy, in this case he communists. Because of that, Canada should state in firm words that cannot be mistaken that it will not be bound by this or any other action which is taken without consulting it. That is the only way in which Canada can act as an independent nation.

As one views this new United States policy ne is driven to the conclusion that it is a new kind of isolationism. After world war I he United States withdrew from the efforts hen being made to put an end to war. It went into isolation. After the second world war—this was referred to by the hon. member for Peel (Mr. Graydon) when he was dealing with the action taken at San Francisco to form the United Nations—the democratic world was heartened when it saw that the United States was taking a leading part in building a system of united action. Under the policy announced by President Eisenhower a week ago there would seem to be indicated a new form of isolationism. The United States government is making decisions in isolation, decisions which involve other countries, on policies which they have no share in framing.

So far I have dealt only with the military possibilities resulting from the change in United States policy. I do not think the danger of this can be overemphasized. But there is another angle, the political effect on the nations of Asia resulting from any aid given to the forces of Chiang Kai-shek. By the people of Indo-China, Malaya, Indonesia, Burma, India, Pakistan and Ceylon, Chiang Kai-shek—

Mr. Browne (St. John's West): Does the hon. member have any objection to Russia giving aid to communist China?

Mr. MacInnis: My answer to that is that we are not associated with Russia. What Russia does in that regard is no concern of ours. It is something we cannot help. We may object to it, but that is all. But we are associated with the United States in carrying out a policy which we hope will free the world from communism. Because we are associated with the United States we have a special interest in what the United States does.

As I said, by the people of Indo-China, Malaya, Indonesia, Burma, India, Pakistan and Ceylon, Chiang Kai-shek is considered a reactionary, corrupt remnant of the old regime in China. They will have none of him. I am sure that if it becomes a matter of joining forces either with Chiang Kai-shek or Mao Tse-tung, they will go with the Chinese communists. That has been demonstrated already in China. If aid would have saved China from the communists, then it would have been saved by the aid which the United States poured into that country. But the aid that was poured in so lavishly went to the communists in China because the people of China had lost faith in the corrupt government of Chiang Kai-shek.

Mr. Browne (St. John's West): Have they faith in the communists?

Mr. MacInnis: Evidently they have.

Mr. Graydon: The missionaries have not.

Mr. MacInnis: Neither have I, but we are not dealing with that subject. If we are going to deal with these matters we must deal with

them realistically, on the basis of what has happened, and not on some preconceived ideas that we may have in our own minds.

Most of these countries I have mentioned are on our side. If we associate ourselves with Chiang Kai-shek we are most likely to lose their support, and in the struggle going on today their support is important. These people will not believe that the Chinese nationalist leader has any interest in liberating enslaved peoples. They know that he was undemocratic, reactionary and corrupt when at the head of the government of China, and they know that he is still undemocratic, reactionary and corrupt.

It must be remembered that the struggle against communism is not mainly a military struggle, it is essentially a battle of ideas. The crucial battlegrounds of Asia are not China and other communist-held territories. Those territories have already been lost. The important battlegrounds in the field of ideas are the countries of Asia which I have mentioned already. We must be careful that we do not lose their support in trying to gain or use the support of Chiang Kai-shek who has demonstrated already beyond the possibility of a doubt that he has no following among the masses of the people of Asia.

It is said that the government of the United States is under great pressure from its people to take quick and decisive action to end the struggle in Korea. We understand that this is so. We can also appreciate their feelings because the United States has borne the brunt of the fighting in Korea up until now. But it should not be forgotten that some of the other allied nations fighting in Korea are also fighting communism in other fields. My fear is that the policies proposed at the present time in the United States will not shorten the casualty lists of United States forces but will rather lengthen them.

There are moves on foot to have the people of South Korea accept a greater share of the fighting there; and if we are mentioning people who have borne the brunt of the fighting in Korea I think we should remember the South Korean forces, because these are the people above all people who have fought and suffered in this war, and I doubt if they have any say in it at all. It is my opinion that we shall never get out of Korea, even if we win a military decision there, unless we are able to build a stronger South Korean government. I mean a government that will have more spontaneous support from the people of South Korea than I think the Syngman Rhee government can get. In doing that the allies will have to do more in rebuilding the economy and the political life of South Korea than they have done to date. Rebuilding of the political, economic and moral forces of South Korea in my opinion is not secondary to our military efforts but should be put on an equal basis.

May I try to sum up what I have just said in a more definite form. If these or other changes in United States foreign policy result in the expansion of the Korean war or the beginning of a general war, Canada will be involved regardless of what we may do. It is no use taking a lofty attitude and saying that this country is not committed. It might have been possible to take such a detached attitude 50 or even 25 years ago, but not today. Precipitous action by any of the major powers, the United States, Britain or Russia, could, in the explosive world in which we live, involve us all in an atomic war.

This group believes that Canada has a major responsibility to make its views known and to exert the strongest pressure it can bring to bear to prevent the United States from taking any step which will bring us any degree closer to a general war. The minister in his statement on Thursday and in his speech of yesterday and today has not made it clear that that has been done either in respect of the new policy already announced with regard to Formosa or in respect of the new policies which are being actively considered by the leadership of the Republican administration. I referred to them before the blockading of the China coast, the active support of the Chiang Kai-shek forces in an effort to invade the mainland. These and other policies were openly and strongly advocated by President Eisenhower and his supporters during the presidential election campaign.

I say that in all these matters it is not sufficient for Canada to make its views known after the event. Once bombs have been dropped it is too late to make representations. Once a war has started it is too late to lodge protests. Canada must not accept the type of treatment which the minister indicated was accorded in connection with the changes in policy on Formosa. It is not good enough that Canada should be informed. Canada must be consulted, and if she is not consulted then strong protests must be made. The United States government must be told ahead of time what policies we will support and what policies we will not.

That brings me to the representation which should now be made to Washington. Canada, with the unanimous consent of every shade of political opinion represented in this house, has taken its stand in the cold war on the side of freedom. But we should also

nake it clear to the United States govern-nent that they cannot trade on the funda-nental unity which exists in the free world y counting on support from us in every dventure into which their political exigencies t home may lead them.

In particular it should be made very clear o the United States administration now that they are contemplating policies which will ead to a reopening of the Chinese civil war, r which may lead to an extension of the Korean war, they will enter any such adven-ure alone as far as Canada is concerned. We should most strongly urge them not to do nything which would make it difficult for s to continue our close association with nem in the various collective security neasures to which we are both committed. n the fight for freedom Canada is prepared o take her full part, but only on a basis f being consulted at every step. Being told not good enough.

Mr. Solon E. Low (Peace River): Mr. peaker, I have always felt that the reference f the external affairs estimates to the stand-ng committee on external affairs prior to neir study in the house is a good arrange-ent. I think the results over the years have roved that it has been a time saver for arliament and that it also gives the members the committee an opportunity of sum-oning witnesses to give testimony, with the esult that far more real facts are brought it than otherwise would be the case. Con-equently it is a pleasure for me to support ne motion moved by the Secretary of State r External Affairs (Mr. Pearson) yesterday.

I also believe that the practice of using ne motion to launch a full-dress debate on xternal affairs is an excellent one. Each me the minister leads off with a statement nat provides us with considerable back-round for a successful debate. His speech yesterday and today was no exception in is respect. I wish to compliment the inister on his desire each time he leads off give the house a comprehensive picture of orld affairs and of the position which anada takes on major issues around the orld. However, I believe the speech he egan yesterday and finished today lacked mething of the comprehensiveness and etail that has characterized his efforts on rmer occasions. There were many things ne minister did not mention, things that I ersonally would have liked to hear.

I realize, of course—and I want to be bsolutely fair in anything critical I say of ne minister—that he is in a little different osition this year from the position he has een in other years, in that he is not only ecretary of State for External Affairs in Canada but he is also president of the United Nations general assembly. Naturally he cannot speak in this house merely as the minister of a department of the Canadian government. The general assembly has not finished its work this year. From what the minister told us yesterday it appears there are still quite a number of important and perhaps contentious matters to come before that body. So I suppose we could hardly have expected from the minister at this time a speech that carried his usual vigorous and straightforward statements.

At this point I should like to say that I did not have an opportunity of speaking on external affairs in December. That was the last occasion, I think, on which external affairs were discussed by this house. Consequently I would like to take this opportunity of congratulating the minister on his election as president of the general assembly. It is not only recognition of the minister's great ability; it is also a compliment to him and to the country which he represents. I have followed his work in New York about as closely as I could at this range, and I want to compliment him on the patience, restraint and skill he has exercised in the very difficult position which he accepted. I know something of what is entailed in the presidency of that body, having attended on two different occasions; and I can understand how easy it would be to lose one's sense of restraint and perhaps patience.

Now, Mr. Speaker, having performed what I consider to be a very pleasant task, I would like to pay particular attention to some of the matters which were mentioned by the minister yesterday and today, and maybe some matters he did not mention. I am not going to criticize the minister for not having gone into the new United States policy any farther than he did; not at all. But it might have been useful to the house to have heard something from him about the raising of the protection of the island of Formosa by the United States fleet. Perhaps at the end of this debate, when the minister replies, he may say something about it.

The minister said that in spite of the rejection by communist China and North Korea of the Korean armistice resolution, nevertheless he thinks the effort which was made in the assembly was of great significance and importance as a demonstration of unity and solidarity. I think, myself, that it was a tragedy that the Indian resolution did not receive unanimous endorsation. India's efforts to get that endorsation should be lauded, and those who have given their support to the Indian resolution have demonstrated that they do in reality want peace

in the world. I suppose, too, that after all these years of experience with Russia and her satellites we should know by this time that those countries will sabotage anything that the peace-loving nations try to do to establish peace in the world. I thoroughly agree with the minister when he said that the Indian resolution had the effect of showing very clearly where the will for peace now lies, by exposing the insincerity of communist declarations that they wish to end the war in Korea. I suppose that we must keep on trying very patiently although it does get somewhat discouraging to try to deal with thugs when we are wearing only kid gloves.

Now I would like to mention briefly the decision of the economic and social committee to recommend a $25 million grant for technical assistance to underdeveloped countries. We think that is a very worthwhile contribution. While it may be looked on as too little in the light of present circumstances, I would like to emphasize my belief that the best help we can possibly render to the underdeveloped countries and underprivileged people of the world is that kind of help which will make it possible for them to help themselves. When we are inclined to criticize smaller contributions for, let us say, technical assistance, we should keep that feature in mind. I did take considerable satisfaction out of the fact that the economic and social council had proposed that $25 million grant and that the committee had decided to pass on the recommendation to the general assembly. I am hoping that when we next hear from the minister he will be able to tell us that the assembly has considered the recommendation favourably and arranged to make the grant. Technical assistance, let me repeat, is one of the best ways of helping underdeveloped nations.

At one point in his speech the minister said, and I quote from page 1849 of *Hansard* of February 11:

> For the past months we in Canada, and indeed the people of the whole world, have followed with mounting interest the constitutional and democratic processes of the United States in connection with the choice of a federal administration by the people of the United States.

That is the end of the quotation I wish to use. It is only natural that all the people whom the minister speaks about, in this country and elsewhere, would be keenly interested in the United States elections; but I did think that at different times during the campaign there were altogether too many Canadians in rather high positions who were quite outspoken in their support of the Democratic administration as against the Republican party and its bid for office. It occurred to me at the time, when I read some of the statements that were being made, that we certainly were not laying a very good foundation for happy relationships with the new government in the United States if it happened to be a Republican government. I think we have to be careful of some things especially when, as the minister emphasized later on in his speech, we are so closely associated with our neighbours to the south and will have to do business in pretty close association with them for many years to come.

The minister paid tribute to Mr. Truman, the former president of the United States, stating that Canadians owe him much. I believe that every man should be given his just measure of credit for the things he has done and for the efforts he has made on behalf of humanity. Consequently, in so far as Mr. Truman did meet international challenges during the years he occupied the presidential office, I join with the minister in paying tribute. But, Mr. Speaker, when the full history of these times is written, when all of the facts have been brought to light, there will be many people who will say that the past two presidents of the United States have been the great betrayers of humanity. To be charitable, as I ought to be, I will say that some of those decisions made at Yalta and Potsdam, some of the secret understandings and agreements that were had with Stalin, may have been made in good faith; but the very best anyone can say is that they indicated a most serious lack of foresight and judgment on the part of those two presidents. It may have been that they listened too much to unsound advice from men like Alger Hiss, but they will not on that account be able to escape the judgment of history.

President Eisenhower found it necessary to tell the United States people and the world in his inaugural address that his administration would not be bound by certain secret agreements reached between the Democratic administration and Russia. It is true, of course, that the President did not indicate specifically what those agreements were, but it would not be very difficult for us to guess what he had in his mind.

This brings to my mind the fact that when I returned from Europe in 1948 I was invited to speak at various places across the dominion, and I told some of my audiences then about strange things which I had seen and which I had learned had arisen out of the Yalta or Potsdam agreements. I expressed then my conviction that there had been perfidy in high places, and that those who held in their hands the destinies of millions of people in the world must have allowed

themselves to be unduly influenced by perfidious men who had infiltrated into high official positions where they could make their influence felt quickly.

At that time I was ridiculed by certain sections of the Canadian press for having the temerity to say such a thing. Perhaps my stand then, Mr. Speaker, was to some extent vindicated by what the President said about secret agreements in his inaugural address on January 20. He said that there have been altogether too many secret agreements over the years. To some of these doubtless can be attributed the state of chaos we have today. President Eisenhower, while he was president of Columbia university, is reported on one occasion to have said he hoped no future president of the United States would hold in his hand the power of bringing on wars.

In his speech yesterday the minister said something about our relationship with the United States. He declared in forceful terms that it is desirable that the Canadian voice in international affairs should be frank and clear, and in a recognizable Canadian accent. He said also that there should be the greatest harmony among that voice and the other members of the chorus, especially the leader —the leader being the United States. I look upon this as a sound and sensible statement. But let me say to the minister that I hope in our desire that our voice be in harmony with that of the leader, we do not yield too much in the effort. The United States recognizes in Canadians a quality that they admire very much, because all too often they have not got it. I was very pleased to see in yesterday's Ottawa *Citizen* a short dispatch from Washington by the Reuters news agency headed "Rely on Canada for Realism". I should like to put this little dispatch on the record because it illustrates what I started out to say:

> The Washington *Post* says today the United States can usually rely on Canada for realism in foreign affairs as well as plain speaking when the occasion demands it.
>
> "It is significant that President Eisenhower's state of the union message, particularly the passage on Formosa, aroused in Canada little of the uneasiness reported from parts of Europe," it adds in a leading article.
>
> This does not mean Canada would support a unilateral blockade of China by the United States, but it does mean she would be sympathetic with a carefully thought-out plan to break the Korean deadlock, the newspaper says.
>
> "It is important for the United States to cultivate a close understanding (with Canada), not only through consultation on foreign affairs, but also through expediting such other matters of common concern as customs simplification and the St. Lawrence seaway bill."

I again express the view that in all our relations with our good friends in the United States we should be realistic and vigorous, and not be afraid to talk up to them when we feel we ought to do so. Let us continue to be realistic, I say, and let us always have the courage to stand up to the United States for what we believe to be right, even if we might be a little out of harmony with the general chorus; always realizing, of course, that the people of the United States are our friends and we have great admiration for them and for their wonderful country.

In the United States there is a great need for realism in trading relations. I do not believe the average citizen of the United States, let alone Canada, fully realizes what has been happening in that country over the past 30 years. There has been a conscious and persistent effort to make the United States economy self-sufficient. Some years ago the United States took over the leadership from Germany in the field of substitutes for such things as jute, mica, camphor, cryolite and many other things one could name. In so doing they have thrown a monkey wrench into the gears of the economies of other nations. I do not mean to say they have done so consciously at all. We are not blaming the people of the United States for the marvellous things they have done in their economy. I think the important thing is to understand what has been done, and then adjust our own thinking to these facts.

We do believe, though, that it is essential that the United States realize how important it is to make every effort to balance her trade with the rest of the world. We feel that way because in no other way could the other nations hope to get the dollars with which to buy what they need from the United States. I support the Minister of Trade and Commerce (Mr. Howe) and the Secretary of State for External Affairs (Mr. Pearson) in their timely reminders of the past few days to our friends in the United States about their trade practices. Just here I feel that I should like to voice one warning. In the development of our future trade relations with the United States, I believe we have to be especially careful about the conservation of our own resources. We have not paid nearly enough attention to this phase of our relationship in the past.

Now I should like to say a few words about Korea. The minister has said that the most recent attempt in the United Nations assembly to end the war in Korea has failed, but efforts to that end must not stop. He declared also that the guiding principle of Canadian policy in Korea is to continue to do everything possible to limit the present hostilities

to the Korean peninsula, and to take advantage of any opportunity for an early settlement of the hostilities by peaceful negotiation. He said that it follows from this that our general attitude in the United Nations general assembly and elsewhere is to support proposals designed to facilitate an armistice agreement, and to oppose proposals which in our judgment would impede such an armistice.

On the specific question of the prisoner-of-war exchange, I believe Canada and the United Nations took the only reasonable stand that could possibly be taken. I agree entirely with the minister on that point; but I should like to say just a word now on the general situation in Korea and the United Nations policy in connection with the whole tragic episode. When I spoke on the same subject, I think it was on October 22, 1951, I said that we believed every effort should be made to work out an armistice in Korea, and that nothing should be left undone to bring about the cessation of hostilities in that country. At the same time I indicated that the United Nations should lose no time in laying down a policy which would make possible the early termination of the war in Korea by military or other action if armistice negotiations did fail.

It was my view then that the military effort of the United Nations should not be limited to the country in which the aggression takes place. I stated further that when the United Nations decided to take action against an aggressor nation the area of their activity should be limited to nothing less than the area used by the aggressor nation or nations for the concentration of troops and supplies and as a jumping off place for the continuation of aggression. I agree with General MacArthur in that regard. The general was later relieved of his command, if you recall, by President Truman. Moreover, I took the stand then that when we had the communists on the ropes, we should knock them out.

Well, almost a year and a half of further see-saw fighting and armistice negotiations have taken place since then. The situation for us—I am speaking of United Nations—has deteriorated. Our enemies are in a much stronger position in Korea now than ever they were. Many of our people have become discouraged under the UN's hopeless policy of a limited war for an unlimited time. What is worse, a good many Canadians have been led by some periodicals to believe that the policy of a limited war for an unlimited time is being used as a safety valve against unemployment and depression in the western countries. On one occasion I quoted such a statement from *U.S. News and World Report.* While it may be an unfair statement that the policy is being followed as a safety valv against unemployment and possible depres sion, it is something that is being said; an of course the people are always affected b those things that are printed in the periodicals How long can we hold the people stead under the kind of policy which the UN i following in Korea?

By resolution, may I remind you, th United Nations declared that China is a aggressor. When I say that I should lik gently to remind the hon. member for Van couver East (Mr. MacInnis) that a blockad of the Chinese coast would be perfectly justi fied under those circumstances; I refer to th situation under which she has been declare an aggressor. I ask this question: Wh should we or any other country allow wa materials to be moved and shipped to Chines ports, to be thrown at our troops in Korea That is something the hon. member for Van couver East did not consider. Let me jus say one thing further. When he quotes th *Financial Post* to support his stand, may say that I should imagine the *Financial Po* might be in favour of limited war for a unlimited time. Perhaps that thought did nc occur to him.

However, Mr. Speaker, the fact is that b resolution the United Nations declared tha China is an aggressor. But at the same tim UN officials would not let MacArthur bom Manchurian bases because they said entailed too much risk. I should think tha the time to think about risk would hav been before the United States led the Unite Nations into Korea in the first place. should like to ask a question for the cor sideration of all hon. members. What woul we Canadians think if Russia should attac Canada and the rest of the world said th war against the Russians should be fought i Canada? I say that the war against th Russian aggressors in that case should b fought in Russia or wherever it would b possible to get at and destroy the source c their aggressive military strength. But s many today in top UN positions are sayin that the Korean war must be fought sole in Korea, the very country we say we ar trying to liberate. I mention these thing because I maintain that we must change ou policy and get one that will make it possib to terminate the Korean debacle and then rehabilitate that most unfortunate wa shredded country.

I was criticized in 1951 when I said agreed with some of MacArthur's views c Korean policy. Since then I remind ho members that there have been two Unite Nations commanders who have led th United Nations armies there, and both them have been retired. On the occasio

f the retirement of General Van Fleet just ne other day, he is reported to have made ome rather startling statements to the press. hat was on the eve of his farewell to his oops. I should just like to quote briefly om what General Van Fleet said as eported in the *Christian Science Monitor* nder date of February 10:

Van Fleet said the allies lost two chances for ctory in Korea, disclosed his own most heart-aking decisions as commanding general, and gave hat he feels are the two greatest achievements of ie eighth army under his leadership.

A little bit later in the article, in answer o a question that was put to him by some ewspapermen, this is what the report states:

Q—If there have been lost opportunities in Korea, hat do you feel was the most serious?
A—When the communists over extended them-lves in May, 1951. When we broke communist efence in fall of 1951.

Van Fleet revealed that he feels that the nited Nations had the communists on the opes twice during 1951, but failed to deliver ie knock-out blow. The reason appears to e that the Far East command refused to onsent to delivering that blow. In this eport that came from Seoul, dated February), from which I just read a moment ago, should also like to quote this paragraph:

Authoritative sources say that for more than a ear Van Fleet has not been able to launch a single attalion attack without consent from the Far ast command in Tokyo—and that Van Fleet him-lf was heartsick when UN and U.S. decisions ice held him back from closing with the reds r decisive battles in 1951.

Mr. Speaker, a general of Van Fleet's ature would not make such statements and nplications without good reason nor without thorough on-the-spot knowledge of the facts the situation. Added significance is given Van Fleet's views, in my judgment, by eir close similarity to General MacArthur's vn views.

I mention these things to underscore what said previously, namely that the United ations must quickly adopt policies for uccessfully terminating the Korean struggle that country can then be rehabilitated as on as possible. A limited war for an nlimited period of time is not the kind of ing people can remain united under for ery long.

We must remember that almost three years ve passed since the first act of aggression. ie minister himself this very day told us at communist world strategy is to drain vay the strength of the free nations by very means they can. A policy of limited ar for an unlimited time is the very best ay of letting them do it. Just take a look the over-all casualty figures and the costs the Korean war to date, and I think you ill get a revealing picture of how the United Nations are being weakened as a consequence of these nearly three years of half-hearted conflict on our part and of cunning attrition on the part of the communists. The signs of a stiffening of United States foreign policy since the change in administration gives the best hope of the adoption of a realistic policy in Korea.

The minister gave us today—and I am thankful for it—a report on NATO and the European defence community. I was glad that he indicated some of the real problems which the European nations are facing in their efforts to build defensive strength against the great dangers that are hovering over them. We ought to know all that we can learn about those problems. The more we know, the less inclined I think we would be to criticize.

I think we must be especially sympathetic with France. She finds herself torn, as the minister said, between present threats and dangers on the one hand, and hopes for the future and memories of the past on the other. It is only natural, I suggest, that France would have many misgivings about seeing Germany rearmed. It is only reasonable that France would consider long and carefully the risks she runs by throwing her whole strength into the European defence effort. Much of her strength has been sapped through the fighting in Indo-China. The minister pointed out that 90,000 casualties had been suffered by the French in that continent, 40,000 of whom were dead. I say, Mr. Speaker, that that is no mean loss to any country.

France has plenty of trouble. I wonder sometimes whether the United Nations have given that country the help and the encouragement she deserves. I recall that when the conflict first broke out in Indo-China there was not very much encouragement to France from any source, and particularly from the United Nations. I am very happy to see that the sympathy is rising.

I cannot think of any possible alternative to the European defence community, if Europe is to be saved. As a consequence I think Canada should do everything possible to help the countries of Europe achieve their goal. It should stand shoulder to shoulder with them in building a united defence for freedom. I do not think any one of us would want to see Canada not shoulder her responsibilities. I am satisfied too that if the people of our country know the facts they will be prepared to make the right decisions and stand behind the government in any position it takes to bring about peace in this world.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this afternoon I intend to direct practically all my remarks to the situation in the Pacific. No doubt the minister will not be surprised by that decision. However I am sure he will forgive it in the case of a member who is lucky enough to live on the Pacific slope, even though in that part of Canada we are closer to this very serious situation in Asia than our fellow Canadians in the other provinces.

Mr. Knowles: You live there, but you spend most of your time here.

Mr. Green: Unfortunately. I suggest, Mr. Speaker, that the most important fact in world affairs today is that the United States has adopted a new Asian policy. Some ten days ago President Eisenhower announced this policy which is designed to put the communists, both Chinese and Russian, in a position where they and not the people of the free nations are the ones who will be worried about what the next move will be in world affairs.

In other words this new policy is an attempt to seize the initiative from the communists, and from now on the United States apparently proposes to call the tune in Asia. This new policy seems to be extremely popular in the United States. One can understand that, because it is in line with the character of the United States people. In any event we can take it for granted that the policy will be pursued in the days that lie ahead.

How does Canada fit into this picture? What stand will she take? In the first place, may I point out that it seems obvious to me that the Canadian government is floundering, not knowing whether to approve or disapprove of this new Asian policy. The minister gives every indication that he is still thinking in terms of the former United States policy, which was one of merely holding the line in Korea. If he will recall, he pointed out yesterday in the course of his remarks that aggression should be fought on the ground where it was committed. That raises the question in one's mind whether the United Nations can only fight an aggressor on the ground he chooses, because after all the aggressor is the one who chooses where the fighting is to begin.

The minister also said that while it may be tempting to hit an aggressor in new places, we must always remember that he might hit us back. Well of course that is perfectly true; but I do not believe that is the new policy as announced by the United States government; rightly or wrongly, such a policy has now gone by the boards. In any event, yesterday the minister gave us no clear-cut statement of where the government stands on this new Asian policy. I believe that the Canadian people, as well as the members of the house, are entitled to such a statement.

Perhaps there is a responsibility on hon. members to indicate their own views and in so far as it is possible the views of the people whom they represent.

Of course I am not in a position to be able to indicate with great accuracy what the people of Vancouver-Quadra think of this new United States Asian policy, but I believe Canadians on the west coast approve of the policy so far as it has developed to date. They might not approve of further steps, but there appears to have been very little opposition to the policy as it has been announced by President Eisenhower.

Some weight should be given to the fact that the two great evening newspapers in Vancouver have approved of the President's stand. Certainly there has been no indication by them that they believe he has made a mistake, and I noticed that the hon. member for Vancouver East (Mr. MacInnis), in his excellent speech, with much of which I did not agree, did not quote from the press of our home province of British Columbia.

Then I believe it should be pointed out also that the Canadian government in this instance was informed but not consulted by the United States. It was informed, quite late in the day at that. The Prime Minister (Mr. St. Laurent) made the first reference to this new policy in the house on February 2, the day it was announced, and his remarks will be found at page 1521 of *Hansard*. He said:

> Late Friday last,—
>
> The announcement was made on Monday
>
> —the Canadian embassy was informed about the forthcoming statement to be made by President Eisenhower, but it was not suggested that we should express our views about it.

That reminds me of the policy of this government before the war under the leadership of the late Right Hon. Mackenzie King, when he declared that in so far as the United Kingdom and the other nations of the commonwealth were concerned they could inform Canada of policies but they could not consult us because if Canada were consulted then she might be under some obligation. We are now having this same problem in reverse. I hope the Canadian government would prefer to be consulted by the United States rather than just informed as was the case last week.

This action has all the earmarks of Canada being dragged along by the United States and that situation is not good enough. I

does not exist in the North Atlantic area because there we find consultation between members of the North Atlantic Treaty Organization which seems to be working out very well. Surely our aim as Canadians should be to bring about a similar situation in the Pacific; to insist on some arrangement so that we will be consulted and not merely informed concerning decisions made for that area.

Canada is a Pacific nation just as much as she is an Atlantic nation. The Pacific area is the most dangerous in the world today. War has actually broken out in Korea, Indo-China and the Malay peninsula. Obviously the Pacific is the weak spot of the free nations. Some way must be found for them to work together in that area.

The present government of Canada has done very little to bring about such a system of consultation. The ministers, from the Prime Minister down, seem to be very little interested in working out any such plan. The minister of external affairs yesterday laughed it off, laughed about a Pacific security pact and said something facetious about the member for Vancouver-Quadra being glad to have some kind of a statement. Then the minister went on to repeat all the bogeys he has been raising for several years.

I was amazed at the statement made by the Prime Minister with regard to the Pacific when he returned from the commonwealth conference in London. He appeared in the house for the first time on December 15. On that day I asked him the following question, to be found on page 646 of *Hansard*:

> Mr. Speaker, I should like to ask a question of the Prime Minister. A news dispatch over the week end indicates that the United Kingdom is now being given a voice in Pacific defence, presumably by becoming a party to the Australian-New Zealand-United States treaty. What steps, if any, has the Canadian government taken to gain the same position for Canada?

The Prime Minister replied as follows:

> I did not have an opportunity to discuss the Pacific pact, in any way, with anyone whatsoever, while I was away.

There were discussions between other members of the commonwealth with regard to the situation in the Pacific, because in the press of December 15 there was published a statement from the office of the Prime Minister of the United Kingdom reading as follows:

> The prime ministers of the United Kingdom, Australia, and New Zealand took the opportunity, provided by the commonwealth economic conference, to discuss the situation in the Pacific and the problems of southeast Asia. They reached complete understanding with regard to certain fundamental propositions which will, in due course, be the subject of friendly discussions with their allies, the United States.

[Mr. Green.]

Apparently the Prime Minister of Canada was not sufficiently interested in the Pacific to take part in any discussions on that subject during the commonwealth conference of last fall.

Another example of this lack of interest by the government is the attitude of the minister of external affairs toward the Australia-New Zealand-United States treaty, known as the ANZUS treaty. As he pointed out yesterday, there are bilateral and trilateral pacts in the Pacific. There is one between the United States and Japan; another between the United States and the Philippines, and a third between the United States, Australia and New Zealand. He said also that there was a treaty between Canada and the United States, and I propose to deal with that in a few minutes. There is a difference there, because I suggest that it is not in the same category as the three other treaties.

I interjected a question and asked whether Canada had asked to join the ANZUS treaty, to become a party to that treaty; the minister answered that they had had a meeting on August 7, 1952 and at that time it had been intimated that no one else was wanted. I then asked him whether we had asked to join before that date and in reply he got pretty far off the beam when he said that we had obtained quite adequate information on which to base the policy which we have followed. It seems to me perfectly clear that Canada has not made a very energetic attempt to crash the gate of this ANZUS treaty.

Mr. Pearson: I can deal with that point if the hon. member is not satisfied with my statement of yesterday. I can tell him at once that it was made quite clear to us before the meeting last August that the extension of that pact to include any other country, including Canada, would not be welcomed at that time.

Mr. Green: The minister has never yet given any indication that Canada had tried very hard to become a party to that treaty.

Mr. Pearson: Gate crashing is not good diplomacy.

Mr. Green: Well, there has never been any indication that the present government even wishes to crash the gate. This is a very serious question on the west coast because we have always had the closest relations with our sister nations, Australia and New Zealand. Before the war Australia was our third best customer, and now she is away down the list. We on the Pacific coast want to work just as closely as we possibly can with the Australians and the New Zealanders.

It may be that the ANZUS treaty is not the proper kind of treaty upon which to build up some scheme whereby Canada will be consulted about these decisions in the Pacific, but the minister suggests no alternative. Perhaps the best plan would be this new strategic co-ordinating committee.

Mr. Pearson: If the hon. member would like me to do so, I will suggest immediately an alternative which is being followed, although it may not be one that he would consider quite satisfactory. All the countries that are engaged in the Korean war meet at least every week in Washington to exchange views and to hear from each other what our policies are in that region.

Mr. Green: It is a strange thing that when it came to a drastic revision of policy such as that regarding Formosa, this committee in Washington appears to have known nothing about it. The first thing that happened was that the Canadian embassy was informed three days before the announcement was made as to what was to be done by the United States, and was not asked for any suggestions.

There is the strategic co-ordinating committee to be set up with headquarters in Singapore. I asked the minister about it yesterday and he said he would give further details at a later date. The first time that plan came to my attention was in a press dispatch from Paris to be found in the Vancouver *Province* of the 2nd of January of this year. The dispatch indicated that a permanent allied military planning staff would be established in Singapore early this year to co-ordinate plans for the security of southeast Asia. The dispatch went on to say:

> These sources said the United States government has finally agreed in principle to the establishment of a joint southeast Asian defence planning body composed of American, British, French, Australian and New Zealand military experts.

On January 10, 1953 another press dispatch appeared in the Vancouver *Province* which confirmed that a decision had been made to set up a council to co-ordinate anti-communist operations in the Far East. The dispatch went on to say:

> Britain, as the commonwealth power, will invite Australia and New Zealand to join the council, whose headquarters will probably be in Singapore.

What I should like the minister to explain is whether Canada has asked to be a member of that council and, if not, why not? Such a council may be the means of bringing about a situation whereby Canada will be consulted on decisions made for the Pacific area. We must remember that in Asia the communists are working from within a circle. The free nations are working from without, and it must be obvious to everyone that there should be co-ordination of anti-communist operations. Canada, as the nation with the fourth largest number of troops in Korea should certainly be a member of that council.

The minister suggested yesterday that the North Atlantic Treaty Organization has some responsibility for helping the French because of the war going on in Indo-China. His remarks are found at page 1855 of *Hansard* for yesterday. He said:

> In a resolution adopted December 17, 1952, the North Atlantic council expressed its wholehearted admiration for these efforts and acknowledged that the resistance of the free nations of southeast Asia was in fullest harmony with the aims and ideals of the Atlantic community, and agreed that the campaign waged by French union forces in Indo-China merited support from NATO members. Indeed there is a close strategic relationship not only between events in Korea and Indo-China, but also between events in Indo-China and in western Europe, because events in Indo-China have a very important bearing on France's contribution to the defence of western Europe.

That would appear to indicate an extension of the responsibility of NATO to include what is going on in Indo-China. It is hard to visualize that as having been intended in the original plans when NATO was first set up, but I am not quarrelling with the decision. That may be a way out of our difficulty in the Pacific.

Mr. Pearson: I should point out at once that there was no such decision made as a result of the resolution which the hon. member has read. There was no such decision to extend the obligations of the NATO pact. Such a decision could only be made by amendment of the pact.

Mr. Green: Well, it seems to be out of line with the terms of the NATO pact. There certainly has been the undertaking of some responsibility to help the French in their efforts in Indo-China. Mind you, I do not see how, if NATO is to be extended in that way, it can be considered any longer as a regional pact, but I am not quarrelling with the policy. I merely point out that this may be one way of getting Canada on the right track in so far as the Pacific is concerned, namely by having the obligations of NATO extended to that area.

Then I should like to say a word about the United States-Canada treaty which the Secretary of State for External Affairs (Mr. Pearson) seems to put in the same class as the United States-Japan treaty, the ANZUS treaty and the United States-Philippine treaty. As I understand the treaty, it is for the defence of this continent and is of no help whatever in so far as policies for Asia are concerned. Obviously it does not

call for consultation between Canada and the United States on Asiatic questions because there was no such consultation with regard to the new Asian policy adopted by the United States. As a matter of fact I doubt whether the Canada-United States treaty goes much further than the NATO treaty itself which provides that if there is an attack on any one of the member nations, either in Europe or North America, all the rest are obligated to come to its protection.

To my mind the minister seems to have made one excuse after another as to why there should not be a pact of some sort in the Pacific. He bubbles over with enthusiasm over NATO, but he is full of doubts about any such plan for the Pacific. Meanwhile, Mr. Speaker, Canada is being informed but not consulted about decisions concerning the Pacific area.

There is grave concern on the west coast of Canada about the Pacific because what happens there may be a matter of life and death for Canadians living on that coast. This is no theoretical matter. We believe that a policy is needed in Asia and that Canada should be in a position to exert her full influence. I have here an editorial from the Vancouver *Province* of February 3, entitled "A Policy is needed in Asia". I will quote one paragraph which I think sums up our views:

> The time is, in fact, past due for the west to adopt a more realistic policy in Asia. The need for a co-ordinated policy, in face of the long organized, centrally directed communist strategy has long been self-evident. The piecemeal effort to date has left the considerable anti-communist elements on the Asiatic mainland sitting ducks for the communists.

I suggest in conclusion that it is high time the Canadian government demanded a full voice in Pacific affairs.

Mr. Fleming: Mr. Speaker, I would ask you to call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Donald M. Fleming (Eglinton): It is always a pleasure, Mr. Speaker, to welcome the motion introduced annually by the Secretary of State for External Affairs (Mr. Pearson) to refer the estimates of his department to the standing committee on external affairs. I have always regarded that as a very healthy procedure, and one that has led to a wider measure of participation in the discussion of external affairs as well as, I think, a broader understanding of the problems of external affairs on the part of members of this house than would otherwise be possible. The committee, under the able and benevolent chairmanship of the hon. member for Cochrane (Mr. Bradette), is one to which all members regard it as a pleasure to belong, and to participate in its discussions.

The extent of the review of Canada's external relations by the minister yesterday and today, as well as the breadth and scope of the speech delivered this afternoon by the hon. member for Peel (Mr. Graydon), stressed and underlined the extent to which Canada is interested in virtually all that takes place in all parts of the globe. The Prime Minister (Mr. St. Laurent) said in some speeches last summer that today it is virtually impossible for Canada not to become involved in a major war, should one break out. It is a fact, Mr. Speaker, that the course of Canada's interest in world affairs and the extent of her commitments in various theatres of the world have led to the result that when we debate external affairs in this house we range virtually over the entire globe.

The world situation today seems to be, at least through the eyes of the west, a matter of balancing strength against dangers, of pitting the resources of the free western world against the needs. The resources are still not adequate to meet the needs. As Mr. Churchill said several years ago, to attempt to be strong everywhere is to be strong nowhere. We hope we are moving in the direction of increasing our strength so that in time the strength of the free western world may be reasonably adequate to meet the challenge of our needs. As yet we are far from having reached the point where our strength is adequate to meet that challenge.

It is important, in the first place, that we should recognize the nature and source of the danger. Literally there is one primary source and only one, and that, of course, is the Kremlin with its policies of world domination. We ought to recognize that danger for what it is, naked, unabashed aggression; a cold, calculating, ruthless attempt to subvert freedom the whole world over. The Kremlin is deaf to all appeals to honour and to humane considerations. I do not think we are going to come very much closer to a satisfactory solution in Korea or in any of the other troubled parts of the world today by thinking we can discuss this matter in terms of appeals to humane considerations or honour on the part of those against whom we are pitted in this cold war. Wishful thinking is going to do us no good in influencing those against whose aggressive intent we are in process of becoming arrayed. They just do not think our way. Their thought processes are entirely different from ours.

We should recognize also that what we see unfolding today is a world plan. Lightning may be striking in different parts of the world, but when the lightning of communism strikes today it is part of a world-wide plan, whether it be armed aggression in Korea; armed aggression in Indo-China, Burma, Malaya; the cold war in other parts of the world; persecution of Jewish leaders in the European countries behind the iron curtain, or the severing of diplomatic relations with the state of Israel with a view to stirring up trouble in the Arab world. These are all facets of the unfolding world plan of aggression directed from the Kremlin.

Of course the advantage of a single direction of a world plan lies with the communists, as well as the advantage of the initiative. Nevertheless, Mr. Speaker, I think we will have accomplished something in the western world if we do recognize the nature and source of this danger and then gird ourselves to meet it.

Beneficent international institutions seem to develop slowly. That seems to be one of the characteristics of such institutions. The United Nations, NATO, the point four plan, the Marshall plan, the Schuman plan, the policy of containment—these all have been characterized by slow growth. That is not to say that their growth has lacked strength because it was slow; nevertheless it seems to be a characteristic of international institutions of the beneficent type.

What may be said to be the focal points of danger today? What is the need of the western world where the pressure of communist aggression is strongest? It seems to me, sir, that whether you look at Europe or whether you look at Asia, the danger is extremely grave today. I suppose in Asia our answer to the threat and the present dangers there will lie in our hope of resisting armed aggression in Korea and in the countries of southeast Asia, in strengthening a friendly Japan, and in our hope that India, great country that she is, will see her way clear in the days that lie before us to take a clearer and stronger line in recognizing and confronting the communist menace in Asia.

In Europe the need for unity of the western nations is extremely urgent. It is because of the importance of strength in western Europe, and in particular the need for a stronger measure of unity between France and Germany, that I should like to share with the house some impressions that it was my privilege to form during a visit to western Europe last October. This offered an opportunity to measure the developments in western Europe in the four years since one had had a previous opportunity, along with certain members of this house, to visit th principal countries of western Europe.

Western Europe is making a strong come back. Let no one underestimate the exten of the economic comeback of western Europe Western Germany today has a greater pro duction than the entire pre-war Hitler Ger many. France today has a greater productio than pre-war France. Britain today has greater production than pre-war Britain These are all factors of high importance i balancing the scales against the threat o Soviet aggression. Our economic resources ar in pawn, Mr. Speaker, in this world struggl just as much as is our military migh expressed in terms of rearmament.

Germany today presents a fascinating pic ture, because the recovery of Germany toda is almost entirely due to one factor, and on factor alone, namely hard work on the par of the German people. Today in the Ruh you can see the extent of the industria comeback of Germany. Travelling througl the country you have an opportunity o gauging the strength of the recovery of agri cultural Germany. We would do well t recognize that the recovery of Western Ger many is a fact of world significance today Whether we like it or not, Germany is today and is going to be in the future to an increas ing degree, a factor in world politics. Ther are many who do not realize the extent o the re-emergence of Western Germany o the international scene. I think such peopl are going to have to change their manne of thinking before long.

Recognition of the importance of German so far as the United States is concerned ma perhaps be measured in this fact alone Before the recent change of administratio at Washington the United States establish ment at Bonn, the capital of Western Ger many, included 4,000 civilians housed in hug buildings in that old university city.

Berlin has again come to the fore in th news dispatches within the past day or two We are told that there is a Russian threa of the renewal of the land blockade whic some of us remember from our visit in 1948 when Great Britain and the United States, i one of the great answers of free and cour ageous peoples to a challenge, devised th airlift, a marvel of organization, to mee that attempt of the communists to drive them out of Berlin. In Berlin I had the oppor tunity of going behind the iron curtain and seeing something of the eastern sector of tha city once again.

In the western sectors, Berlin has made great strides of progress in the past fou years. The city is brighter. The people look better fed. They are more cheerful looking

They are calmer and, I think, more vigorous looking than they were then. There is still a picture of ruin on almost every hand in Berlin. The effects of the aerial and land bombardment are to be seen yet throughout the entire city, but substantial strides have been made in the rebuilding of the German capital on the western side.

There are not many pockets of unemployment in northwestern Europe today but, Mr. Speaker, West Berlin is one of them. In that population of less than 2,500,000 people there are 300,000 unemployed. The reason there are unemployed in Western Berlin is that it has been the policy of the Russians—who, after all, control the land access to the city—to prevent the free exchange of commerce between the West Berliners and the other Germans. Only 19 trains a day are permitted by the Russians to enter West Berlin. You can see today, in lying over that part of the city, two shiny railway tracks while the other tracks in the railway yards are covered with rust.

The horrors of Russian occupation in Western Berlin have not been forgotten. Eastern Berlin behind the iron curtain presents an interesting contrast. When we of the western world put up flags on buildings we usually put one flag on a flagpole or mast. Not so these communists. When they go about hanging flags they literally cover a building with them. In Eastern Berlin today you can see block after block with the great buildings covered with the red flags with the hammer and the sickle, great red streamers and red bunting. In almost every block as you pass through the eastern sector you can see the picture of one Josef Stalin either grinning or glowering at you, depending on your point of view. There are also pictures of the communist leaders from the other communist countries, such as Mao Tse-tung of China, Gottwald of Czechoslovakia and the others.

There is no doubt at all about the efforts of the Russians and of such Germans of East Berlin as have made themselves tools of the Russians, to communize the eastern part of the city. They have introduced communist shops, the Handelsorganization, commonly known as HO shops. They have done one thing that I think is worth mentioning today because I think it is going to be used before long in the western world as a means of communist propaganda. There is in course of construction on a famous street that has been renamed Stalinstrasse in East Berlin what will become one of the largest housing projects in the world. It is in various stages of construction. There are some finished blocks, and others ranging all the way from that state to blocks in which the rubble left from the air blitz is still lying around. I suppose the communists will attempt to picture to the world that this housing project is typical of what goes on behind the iron curtain.

We will know better, Mr. Speaker, than to believe that this one isolated project, which will be used as a communist showpiece for propaganda purposes, is typical. It is interesting to note how that kind of building can be erected. Apart from people who would labour normally upon it there is, of course, a great deal of "invited" labour spent on it. Artisans and people of that kind are invited to come and donate a holiday's work or a Sunday's work, and if there is any demurring they are asked to consider whether it is a good thing for them or their families for it to be known that they withheld their labour from this government project. "Thou are not Caesar's friend" has been used to good advantage as a threat from the days of Pontius Pilate to this very day.

I think it is worth mentioning also, Mr. Speaker, one's impression of the police in East Berlin. We hear a great deal of them. I saw a number of them. I saw them on traffic duty; I saw a truckload of them going by. I do not think there was one of them who could have been over 18 years of age. And if we hear reports of shooting incidents along the boundary that divides the Russian sector from the western sectors, I think we might ascribe it to the fact that firearms are placed in the hands of immature youths. And even in the case of those, Mr. Speaker, it is a fact that an average of about 45 to 50 of these police from the eastern side of Berlin are escaping every day over to the western sector, quite apart from that stream of escapees that is going on all the time, and now in increasing volume, from eastern Berlin and eastern Germany into the western sector of Berlin as the communist persecution of the Jewish population becomes daily more acute. When they reach western Berlin of course their only means of escaping further to western Germany—for after all Berlin is a hundred miles or more from the nearest point of the western zones of occupation in Germany—is by air.

Sir, may I say something of France. Whatever else may be said, no one who knows Europe, or makes any attempt to study the situation in western Europe today, can think for one minute that western Europe can be strong unless France is strong. It would be well for the western world to bear in mind something of the sufferings of France, something of her losses in two great wars: a million and a half of her finest men killed in

the first great war; 600,000 in the second great war; four years and more of the horrors of nazi occupation in the second world war. These have left behind them privation, disturbance and in many cases weakness. But, Mr. Speaker, there are those today who insist on making of France demands that do not take account of this record of suffering to which the French people have been submitted.

In the course of his review yesterday the Secretary of State for External Affairs (Mr. Pearson) referred to Indo-China. The western world should understand what a drain that war in Indo-China has been upon French resources, both human and material. Mention was made by the Secretary of State for External Affairs this afternoon of France's losses in men in that war. Well, that has been a severe drain in these recent years on all of the resources of France. That portion of the French army which has been engaged in the warfare in Indo-China has indeed been the best part, the better half at times, of the French army. And if France has not been able to contribute to the garrisoning of central Europe as many men, as experienced an army, as the western world sometimes expects, it would be well to take account of the extent to which French armed might has been committed to the struggle in Indo-China.

And when we are talking about the demands we make upon France, sir, let us have this in mind also; that Dean Acheson himself, in testifying at Washington before a congressional committee something over a year ago, said that France's expenditure on the war in Indo-China up to that time had exceeded the help that she had received through Marshall aid. That was a statement he made in Washington something over a year ago.

What of the strength of communism in France? That is a matter that has given many people in the west much concern. I remember that in 1948 when the communists were rioting in France there was bloodshed, there were strikes, they were openly challenging authority. Well, it is a pleasure indeed, Mr. Speaker, to see satisfying evidence that the strength of communism in France is on the wane. There are many evidences of it. I mention but a few. The fact that 26 per cent of the French electorate in the general elections to the French assembly a year and a half ago voted for communist candidates should not be treated as evidence that 26 per cent of the French people are communists; far from it. The number of communist candidates elected to the French assembly in that election dropped from 180 to 100.

There has been a very great change also in the communist strength in French organized labour. It will be remembered that La Confédération Générale du Travail, the principal French labour organization, was under communist domination until a very great French labour leader, who incidentally paid a visit to this country a year ago, Monsieur Leon Jouhaux, led the non-communists out of La Confédération Générale du Travail into a new organization.

There are internal divisions among communists in France. Of course when internal divisions arise among communists in countries behind the iron curtain they do not last very long, because they have a way of disposing of those whom they call deviationists; but in a free country like France those internal divisions can arise.

This next fact struck me as one of great importance. At this time, outside of a handful of able and popular leaders the communists do not have any men of first-class ability in the French assembly. Perhaps this is a more striking evidence, Mr. Speaker. The circulation of *L'Humanité*, the communist daily, has fallen from a high mark of 500,000 copies per day to a circulation of something under 200,000 copies a day.

In Paris it was my privilege to talk to Lord Ismay, the secretary-general of NATO. He had some things to say about NATO that struck me as being of interest to Canadians. He drew attention to the fact that NATO after all is young; it has had the full glare of publicity directed upon it and, as he put it, there are so many people who keep stirring up the seed all the time to see if the plant is really growing, and keep pouring in water and stirring it up, looking all the time underneath the surface for evidence of growth. Well, as he indicated to me, all free nations in NATO will contribute greatly to the strength of NATO if leaders in public life in all these countries will try to create on the part of the people of their countries a broad base of support for and good understanding of NATO, its objects, its aims and its tasks.

Just in passing, Mr. Speaker, participation by the United States in NATO can I think be illustrated by the fact that, as I was told, the United States delegation and staff to NATO number 1,100, including three ambassadors. The total staff of NATO when I was there was some 250. Canada has a staff of 21 headed by a distinguished Canadian with ambassadorial rank.

I should like at this time to pay tribute to Mr. Arnold Heeney, formerly under-secretary of state for external affairs, who assumed

ıe appointment as head of the Canadian dele-ation to NATO about a year ago. I think Mr. Teeney is deserving of recognition, not only ɔr his ability as a Canadian diplomat but for ıe sense of public service which he carries ıto his duties. I think Canada can be very roud of such a representative.

It was my great privilege to visit the 27th anadian infantry brigade at Hanover and to ave extended conversations there with Briga-ier Walsh, and also to see two of the units ı training the following day. The Canadian 7th infantry brigade is filling a role quite ifferent from that filled by any other Cana-ian military force in history. This is a time f peace as far as we and Germany are con-erned. The brigade is not an occupation ɔrce; it is not part of the occupation forces ı Germany. It was very difficult for the anoverians to understand the unprecedented ɔle being filled by the Canadian armed forces ı their midst, and there were some mis-nderstandings. Efforts have been made, and ɔme success has attended those efforts, to ıake the German people understand the role f the Canadians. That role is that of a arrison force located in central Europe to uard against the possibility of aggression ɔm behind the iron curtain. This brigade ; fully operational, and is located only 45 ıiles from the iron curtain straight down itler's excellent autobahn. The appearance f these troops is impressive. One could not ail to be proud of the Canadian troops as ne saw them at Hanover.

I just missed by a couple of hours being resent at the arrival of the R.C.A.F. squad-ons at Metz, but I had the opportunity of alking to those who were there. Those 67 abres arriving in perfect formation were iven a warm and enthusiastic reception by ıe French authorities, the NATO forces and ıe press.

Of course when new airfields are built it oes mean dispossessing French peasants. 'he love of the French peasant for his soil ; very deep indeed, and under those condi-ions it perhaps would not be a matter of urprise if there arose some local resent-ıent at land being taken over for the con-truction of Canadian airfields. However, was assured that the reception given to he Canadians serving in the R.C.A.F. has een very warm and friendly.

I should like to mention one incident which think illustrates something that we in this avoured part of the globe, far removed from he ravages of two world wars, fail adequately ɔ appreciate. We are so accustomed to hinking of the arrival of Canadians as a ymbol of liberation and the occasion for tumultuous expressions of joy that the incident related to me by Madame Vanier, the gifted wife of our distinguished Canadian ambassador at Paris, may be something of an eye-opener. She was speaking to a very intelligent French woman and told her of the arrival of the R.C.A.F. squadrons. Naturally, with no little pride, she expected her to react in a similar way and express thanksgiving and joy at the result. But the woman's eyes filled with tears and she said nothing. Such is the fear of war that grips France today.

After all, France has known the horror of nazi occupation, and she knew that horror for over four years. The spectre of Russian occupation haunts France. We have little appreciation in this country of what that means in the light of French experience.

I should like to say a word about the vexed question of German rearmament, based upon discussions which it was my privilege to have with some of the leading political figures in Britain, as well as in Paris and Germany.

I suppose if the Russians had not behaved as they have since the war no one would feel happy about the prospect of German rearmament. The experience we have had with an armed Germany led by the German general staff has not been such as to create in us any feeling of confidence or satisfaction over the prospect of German rearmament. Nevertheless some hard facts have emerged which it is no longer possible to overlook.

The load the British taxpayer is carrying and the drain upon British manpower, not only in the army of the Rhine but in the discharge of Britain's obligations all over the world, is so great that when the Britisher looks at Germany and sees British forces garrisoning Western Germany, sees that Germany has not yet been called upon to bear her share of the burden and responsibility of rearming, is it any wonder that he says, "Why is not Germany carrying her share of this load?"

France is weighed down with her struggles and her burdens. There is a continual drain on her resources because of the war in Indo-China. But she looks at Germany with a different feeling because the recollection of three German invasions in the last 80 years is still very fresh in the minds of her people.

It is easy enough for us at this safe distance to make plans for western Europe, but it is not going to be an easy matter to fuse German, French and forces of other countries in western Europe into a European army. If it comes about, as we may well hope that in some form it will, it will be indeed a triumph of statesmanship and abundant evidence that we have entered upon a new era of co-operation and understanding.

The nationalist tradition is still very strong in the French army. Nationalism is still strong in France. The distrust of Germany in the light of the experience of the last 80 years is still strong.

It was the United States that first put forward the proposal for German rearmament because today Western Germany with a population of fifty million has the greatest available pool of manpower in western Europe. Mr. Schuman brought forward the idea of a European army with smaller German units fitted into it, as a compromise plan. That became the Schuman plan in regard to a European army. But a European army built upon the fusion of smaller units drawn from various countries is very different from a force built up of component national armies of various countries and serving under a supreme commander, such as we had in the latter part of the first great war and throughout most of the second world war.

Therefore we should not underestimate the difficulties that the nations of western Europe are facing in relation to this matter of German rearmament as part of the formation of a European army. It is to be hoped that something of that kind will come about, because except from a greater measure of unity in western Europe we may look in vain for that revival of strength in Europe, drawn from European sources, which is so necessary today in the face of the strength that Russia is mustering behind the iron curtain and in face of the political difficulties that exist at Washington in connection with the maintenance and continuance of United States aid.

Back of all this, Mr. Speaker, stands Britain—Britain which has carried such a burden, Britain which has undergone such privations not simply for her survival but for the peace and deliverance of all mankind. I hope that when people call upon Britain to carry a greater share of the load of the world's problems they will not forget what that land suffered during the war, the burden that land carried during the war and since. They are still bearing privations that are matched by few of the countries that enjoy today that measure of freedom and deliverance which Britain made such sacrifices to help win for them. Make no mistake about it, people have been writing Britain off for generations as though her best days were behind her. I am here, Mr. Speaker, to bear testimony to my belief that the best days of Britain lie before her, that no nation that has been called upon to fulfil the beneficent destiny for all mankind and for the freedom of mankind that Britain has been called upon to fulfil could fail in days like these.

If I had fear of the position of Britain now and of her coming back after all her difficulties I would indeed be pessimistic for the whole outlook of mankind, for the whole outlook of our free western way of life. But I believe, Mr. Speaker, that British leadership in the world today, being needed as much as ever it was before, will be forthcoming, and that with the continuance of leadership of that kind and with the recognition by Washington, of which there is abundant proof, of the great responsibility that the United States carries in the world today, while the dangers are great, while there are many clouds upon the international horizon, free mankind, which values its freedom more than life, need not fear to meet this challenge of black, ruthless communism with determination, with courage and with confidence.

Mr. J. A. Bradette (Cochrane): Mr. Speaker, before I proceed with the main part of my remarks I want to thank the hon. member for Eglinton (Mr. Fleming) for the kind words he had to say about my activities as chairman of the external affairs committee. It is very easy for me to extend those kind words to every member of our committee, to every official of the department and to the minister of the Department of External Affairs in view of the co-operation they have always given in our work.

Before I proceed further, I also want to extend my congratulations to the Secretary of State for External Affairs (Mr. Pearson) for the magnificent work he has done at the United Nations and for the honour he received last fall in being appointed president of the general assembly. It was an honour that was highly deserved indeed. We also know that any of the higher positions, even that of secretary general of the United Nations, are within the reach of the Secretary of State for External Affairs, but I believe it would be in order for me to say that I believe the Canadian people would want him to remain in public life in Canada because we need his talents and statesmanship here and I say that very sincerely indeed.

I should like to say a few words about the United Nations. Since the inception of the organization the glaring lights of publicity have always been focused on that great international body, but more so than ever during the last four or five months because of a certain situation that has existed among the personnel of the United Nations, and the praise and criticism that are heard from many parts of the world.

It is hard to tell whether there is more argument at the United Nations or about the United Nations. Whichever it may be

here is plenty to provide a share for any ınd all who may want to join in the exchange ›f views. Some of the views exchanged ately have resembled blunt instruments. They ıave come from people who are either very ıngry with the United Nations or very angry vith the people who criticize the United Nations. It is not a bad situation; it is even he proper thing for democracy to discuss an nstitution of world-wide importance and vhose decisions have world-wide importance n that manner, because in such a discussion he good and the bad come to light. But no ›ne will deny the accomplishments and the great work that has been done by the United Nations since its creation, and the necessity or its maintenance.

I know that my constituents and myself vere surprised when a subcommittee of the Jnited States senate wanted to make an nquiry into the communistic affiliations of ome of the officials of the United Nations. Some of those officials wanted to hide behind he United States fifth amendment. Some ections of the press throughout the world alled it a smearing of the holders of impor- ant positions in the United Nations Organiza- ion. The sooner these communists are smoked ›ut and dismissed the better for the United Nations, which in the nature of things will ılways have enough troubles without being dentified as a hide-out for traitors or sus- ›ected traitors.

I know that my constituents have very trong feelings about this matter. We realize hat there are two worlds, the lines of demar- ation of which are very well defined, between vhich there is no possibility of brotherhood ıs far as the two ideologies are concerned. Those worlds are outside of the iron curtain ınd inside of the iron curtain. There is langer to a democratic state if some of its fficials in the United Nations are communistic, or the simple reason that the communist, no natter whether he lives inside the iron curtain ›r in the democratic world, gives his first ıllegiance to communism and to Moscow. Therefore I say that the United States senate committee has done a marvellous job in erreting out any communists who were among he personnel of the United Nations.

Much of the wrangling in the United Nations s born of our very great eagerness for peace ınd order in this war-weary world. People ıre impatient and edgy; they look for definite results. Sharp criticism of the United Nations or failure to produce great and immediate ›enefits brings equally sharp rejoinders. This s only natural after having two wars in ılmost one generation. In world war I we vere saying it would be the war to end all wars. Yet a little more than 20 years later we were in a horrible war which brought with it all the miseries and destruction that a world war brings in its train. The guns of the second world war were hardly silent when we were forced into the cold war which is as destructive emotionally and spiritually as a real war, and if carried on indefinitely may bring an irreparable cataclysm.

Many are unable to see any real hope for a worth-while United Nations Organization as long as the Soviet union is a part of it. Others adopt the view stated by a writer in the magazine *Columbia*. I read these words seven years ago and they are just as true today as they were then. In an analysis of the United Nations charter the writer said:

> Even in relation to the great enigma of our time, the Soviet union, the present charter is better than nothing. We have to deal with Russia because Russia is a part of our world.

We have to realize we cannot ignore Russia even if she has erected an iron curtain through which it is absolutely impossible to see. We must realize that she belongs to this planet, to this world.

> "In dealing with her, what is better: to have contact by remote control from Washington to Moscow or London to Moscow, or to belong to the same organization, which can be improved, and force the Soviet representatives to speak out to the world? It is infinitely better to have them present, face to face, because we may be able to work out an understanding. If they prove obdurate, unbending and impossibly dogmatic, then it is better that this occur where everyone can evaluate the reaction, see the results and recognize the reasons."
>
> The gangster government of the Soviet union is, indeed, part of our world; while the idea of tossing it out of the UN is understandably tempting, such action would pay off in momentary pleasure rather than in the solution of our difficulties.

The writer just quoted concluded his comment with this sentence:

> "Just as the United States began its independent existence in the midst of regional strife, torn by state jealousies and misunderstandings, to evolve a well-knit system that has endured these many years, so, too, the new international order may be equally susceptible to modification and improvement provided that the will is there to make it work."

And the will is there. There is criticism against some of the activities of the United Nations in Canada—sometimes in this parliament—but constructive criticism of organizations of that nature is expected and is needed. At the same time one must not expect miracles. Even if the United Nations was able to have an international army today it would not be possible to implement in the United Nations all the things that it might be desired to implement.

We can be watchful and critical of the United Nations without being blindly hostile.

Critics of the United Nations in trying to analyse the work of that body, if they wish to do so, can recognize what has been accomplished. The time at my disposal will not allow me to cover them but it has a magnificent record; not a perfect one, but a good one. It would be helpful if some of the United Nations enthusiasts would remove "smear" and "isolationist" from their vocabularies. These worn-out terms do not win friends and influence people. They have been tossed around rather too freely, of late, even in circles where better sense and better taste would be expected. Some very vocal rooters for the UN are doing it more harm that its critics.

I just wish to say a few words about the new administration in Washington. I am speaking with all diffidence and humility and I listened with a great deal of interest to the fine comment made about this matter by the hon. member for Peel (Mr. Graydon) this afternoon. I believe, generally speaking, that the Canadian people do not worry too much over presidential elections in the United States, although to an outsider, and I suppose even to people living inside the iron curtain, they would not believe that people could express their sentiments as they do in the United States and in all democratic countries of the world.

I have some relatives who were in the United States when the general election came on. They came back afterwards and said to me: "Will it be possible to knit the whole thing together after the election is over?" I told them not to worry. One of the great assets of democracies is their ability to express different opinions and then work together for the welfare of the country and also of the world.

As Canadians we do not need to fear. We are fortunate indeed to be a neighbour of that great republic to the south. Moreover, we call them cousins, and they certainly are cousins by blood and by feeling. In the past we have had and no doubt in the future we will have some problems to discuss and solve with them, but we have given and will continue to give an example to the whole world by solving those problems without friction, and we do not need to resort to arms or even deep division. As an example I have mentioned in my speeches in the past we have the so-called panhandle in British Columbia, something which is really a geographic monstrosity. However, we accepted it. We are not going to stir up and foster animosity over it as far as our American friends are concerned. I could mention several other matters on which we could have dissension, but we want bygones to remain so.

Some well deserved tributes were paid thi afternoon to the past president of the Unite States, Mr. Truman. He was a great states man and a great American. We had the goo fortune to have him visit us here, and anyon who saw him at close range was able t detect his personality and ability and recog nize that democracies are pretty fair in thei judgment when choosing their leaders.

As far as President Eisenhower is con cerned, some people called the election popularity contest. It was much more tha that. The man had marvellous qualification although I believe if he had run on th Democratic ticket he would have achieve the same result as he did running on th Republican ticket. I say that because th vote would so indicate as far as members o congress and members of the United State Senate are concerned. The sterling qualitie of the man were recognized. Not only wa he a great military leader; but he was als a man who knew the problems of the worl and the problems of the United States in military, statesmanlike way.

One can think of his marvellous accom plishments as commander in chief of th allied armies, how great his accomplishment were. He had under his command man brilliant men. I was going to call one of ther a providential man, Viscount Montgomery who in my view was one of the best strate gists of the last war. He also had under hi command capable and brilliant Viscoun Alexander who has shown on so many occa sions that not only is he a military man bu a statesman as well, the latter shown s naturally while he was here as governo general of Canada. Mr. Eisenhower wa able to effectively bring together those di ferent generals and armies. It was a marve lous accomplishment that no doubt bode very well for the democratic world in th years of office which he will have; becaus his training, his way of getting co-operatio will be a great asset as the leader of th strongest nation in the world today.

An American told me only two days ag that they had hoped against hope that th new president would be able to stop the wa in Korea. To fulfil his promise Presider Eisenhower went to Korea. He came bac and showed reality because he gave no hop that the war would be over in a fe days, months or even a year. I think in tha case he did show great realism. That is wh I say that the Canadian people, who do n participate directly, at least, need not wor much about presidential elections in th United States. It has always been the ca

that to a great extent we live in a harmonious and friendly spirit with our neighbours to the south, and that real amity and understanding always predominate in all our dealings with her.

There is one other matter that I wish to mention briefly, a matter which sometimes puzzles me. It is apparent that there is an oversensitiveness between friendly nations. If there is some little thing on which we do not entirely agree—within our own ranks—it is greatly publicized and bitterly criticized. That sort of thing I believe plays into the hands of Joe Stalin; because he hopes deeply that the allies, the members of the democratic world, will fight one another before long. That idea results from the verbal fighting that sometimes goes on between our friends when they do not entirely agree with one another. It is possible within nations to have diversity of opinions.

We see in the press in this country now some of the ideas that were expressed 60 years ago, and which should be conducive to our good relations. Surely charity and comprehension should be displayed in international dealings. We should realize and appreciate what the United States has done. We should be aware that up to the present she has had a casualty list of nearly 150,000 men in Korea, and she has given nearly $35 billion to Europe and various democracies in order to assist in their defence and rehabilitation after the last war.

As the hon. member for Eglinton (Mr. Fleming) so very well said a few moments ago, there are the sacrifices which have been made by my old motherland France, in Indo-China, the sacrifices made by Britain in the last war when she was for nearly a year the only rampart against the barbarism which would have flooded the world if England had gone down. All these things we must remember in our contacts with one another, and keep as the greatest incentives to be strongly united, even if we have some differences. I do not mean to say that we should not express our sentiments clearly and strongly, but at the same time we should always keep in our minds that such expressions should be so framed as to not offend our friends. It might be possible to offend our enemies, but never let us go so far as to offend our friends. They are too much of a treasure, of a necessity, to lose.

I listened with a great deal of interest to the travelogue delivered by the hon. member for Eglinton (Mr. Fleming). It would not surprise you to know that when you mention you are a Canadian, everything is wide open for you; you immediately become *persona grata*. Why is that so? It is because the people know that during world war I and world war II and following those wars, Canada was not at the peace table to obtain her pound of flesh, or for glory or terrestrial or maritime aggrandizement. They knew that Canada, in those two great wars, had helped to maintain the principles of christianity, freedom and democracy. That is the kind of spirit that must prevail amongst us under all conditions. Otherwise, I repeat, there may be some cause of deep friction which may hurt us badly indeed, and stultify our efforts for peace.

I might repeat something that I have mentioned for the last three years. Only 25 years ago in this parliament we used to say that the surest way to bring about an international war would be through the erection of tariff walls between nations. We do not seem to have learned very much from those bitter lessons of the past, because even today we are erecting tariff walls that are hurting not only other nations in the world but also ourselves. In this connection I want to say that I sincerely hope the day may come when we will see a united nations of Europe, and of the world as far as tariffs are concerned. We must be realists on this score. I believe that the treaty of peace between Japan and the allies, for which Mr. Dulles was mostly responsible, is a masterpiece. It is a christian treaty of peace; but what are we going to do with Japan? Are we going to allow her the means of survival? Are we going to raise a holler if a few little dolls or small toys come from Japan, or a few little artificial flowers? Are we going to ask for high tariffs against that production? If we do that against Japan, if we do that against India, Pakistan and against the Middle East, or any other country, then it is real war. Those people will resent it the same way the European nations and our country have resented the action taken by the United States against some of their production. Surely we know the bitterness of war and have learned that we should do everything in our power to avoid it. There should be enough statesmanship within the democratic nations to find a way to end dumping and prevent the destruction of our own economy. We should find a way of having freer trade than we have at the present time and more comprehension in economic matters.

I should like to say a few words about a Pacific pact. In my section of the country we have always been in favour of the Atlantic pact. As you know, we who live in northern Ontario are in the geographical centre of Canada. Our viewpoint is national in scope. I believe we are the only section of Canada having knowledge of municipal administration in the east and municipal

administration in the west. We generally take a broad point of view on all matters coming before the House of Commons. We have no quarrel with the wheat producers in the west; we have no quarrel with the fishermen in the east or west; in a word, we have no quarrel with anyone. We always try to find the national viewpoint on all problems that come before us.

To be sure of the sentiments of my own people on the Pacific pact, I attended a number of study groups in my constituency during the last few months. They were strongly against it. The primary reason was that, as Canadians, in the past we have shown that we do not need to mention our idealism or our generosity. Our young people shed their blood for some principle we thought worthy of defending, and we will do it again if needed. Today we are only a nation of 14 million people, large in area, under a healthy but harsh climate, and sparsely populated.

I do not mean to say that we should keep away from anything pertaining to the Pacific. We must help, but not through a pact. If we have a Pacific pact in the same sense that we have an Atlantic pact—and it should be in that sense—the expenditure that will be necessary will be very great. Let us remember this. Marx said in his writings that one of the best ways of destroying democracy would be by high taxation. No doubt Stalin knows what an influence that will have on a democracy, and the effect and costs of the cold war. Taxation in Canada, although it is lower than in some countries, is still high. We have, therefore, to be realists.

During the last war, Mr. Speaker, I was deputy speaker in this house. We sat for many months every session considering the war appropriations bills. I remember many, many occasions upon which crises arose because of the shortage of manpower in Europe. At that time we had about 12·5 million people. We must think in terms of our own population in connection with the effort we are able to make. If we had 50 million or 75 million people, then it would be a different thing; but we must be realists on this matter of military pacts. Supposing we had a Pacific pact as well as an Atlantic pact. It would cost us a total of from $4 billion to $5 billion, and would mean that we would not be able to properly support both of them. That is the reaction I received from my people. We belong to the whole world, and we must be realists. I believe the minister expressed the sentiments of the people of Canada generally in connection with a Pacific pact. We are interested in the east and we are interested in the Pacific. The Colombo plan has shown that, as wel as the help we have given and will continu to give to the people of Asia and the Middl East.

I repeat that I believe I am voicing th sentiments of a great majority of my ow people. I believe it will be impossible fo us to be part and parcel of a Pacific pact o a large scale, and at the same time give th necessary assistance to the Atlantic pact.

I wanted to say a few words about trip I made last summer to the mid-Orient an Europe, but I will have other opportunities t speak about it this session. I want to mak my situation very clear. I was honoured b the Canadian Katznelson Institute of Montrea by being included in a group that spent si weeks in the new nation of Israel. This grou was composed of 36 people from New Yor university in the United States, includin students, professors and professional men o the Jewish nationality. I was invited, with out knowing about it in advance, no doub due to the good offices of my friend the hon member for Spadina (Mr. Croll) in connectio with some work I had done for the zionis movement in Canada. I was not representin Canada in any official capacity. I was no going as chairman of the external affair committee. I was not going as a politicia but as a citizen of Canada. I preface m remarks with that statement in order to mak my position clear.

Since my return at the end of last Septem ber I have given a series of lectures in differ ent parts of Ontario and Quebec. I will likel go west later in the spring. In this connec tion I have received some very biased letter what we call anti-semitic letters. It is no worthy of a christian to be anti-semitic. I is not charitable because the divine victim o the cross, just before He drew His last breath asked His Father to forget what had happene on Calvary. Surely that should be sufficien for any christian, for any civilized people, t keep them from practising anti-semitism. also received quite a number of very critica letters from Arab citizens.

Now, these letters hurt me quite a b because I went to Israel with an open min I wanted to be objective in my thinkin towards Israel as well as towards the othe countries that I visited. I asked for an obtained a visa to go to Trans-Jordan, to go t Lebanon and to Egypt. I could not go to Syri because I could not obtain a visa from Ottaw Washington or even when I was in the east t go to that country. Again, in every sectio of the Arab world into which I went I ha an open mind. I was well received indee because they knew that the Canadian peopl want peace in the Middle East. We want th

Arabs and the new nation of Israel to get together in close co-operation, and we Canadians respect their opinions and aspirations.

I must tell you very sincerely indeed that Israel is doing a magnificent job under very difficult circumstances, and that given peace she will surmount her difficulties.

In that group consisting of 37 Jewish people, I was the only Christian. They accepted me as one of their own. They and the government of Israel kept nothing from me. I visited every part; the slums of Israel and the deserts of Israel, and I also saw some of its development. Again I repeat that absolutely nothing was kept from me.

I make this prophecy. If that young nation is given 15 years of peace it will astonish the rest of the world. It has also had a very beneficial effect on the whole of the Arabic world, because they are planting in the Middle East the seeds of democracy. The Israeli government is a real democracy. They have freedom of speech, freedom of religion, freedom of thought, freedom of politics, and freedom of the press. They have all the freedoms it is possible for them to have, and it is a welfare state. Again I repeat that if any country invited me to make such a visit, personally I would accept the invitation because it is a great pleasure and also a great education to travel under those circumstances and conditions.

I repeat that there is an evolution going on in the Arabic states that no one will be able to stop because the people there know, not just some of their leaders—and I refer to the people in Egypt, in Trans-Jordan, in Saudi Arabia and all over the Arabic states—that there is a better life because the democracies have told them that; the United Nations have told them that; and the communists have told them that.

They are not satisfied with their present situation. You can see the eruptions that are taking place. I was in Egypt two days before the abdication of King Farouk. There were no signs of revolution at the time, but from the poverty of the people it was easy to see that they were not satisfied with their lot. There were agitators in those crowds. You could see that the people were not satisfied when poverty and squalor existed, lack of medical attention and so on.

I visited some of the Arabic states. I was friendly to them and they were friendly to me. They are fine people. These people also know there is a better life than the one they are living at the present time, and they want the opportunity to enjoy it. In those states there is the same evolution. There are the same political eruptions, because the people are not satisfied with their lot. The aspirations of these people, if they are not listened to, will result in a situation which will perhaps explode and hurt the peace of the whole world.

I just want to say one word about the Arab refugee problem. It is a terrific one. I did not visit these camps, as I did not have time to do so. The situation cannot be ignored when in Trans-Jordan there are 850,000 Arab refugees, having practically no work and living under conditions that are most deplorable.

In our workshop at Beth Berl in Israel I put that question to a lecturer. I said that I would like to visit the internment camps of the Arabs in Israel. He said "We have no Arabs in internment camps in Israel." He said that after the war of liberation there were 175,000 Arabs who stayed on, some of whom fought for them; also some Druses fought with them and remained. Some 125,000 of these are fruitfully employed in agriculture, and they are good farmers. I saw some of their co-operative farms. They are doing a magnificent job as farmers in Israel. He said the other 50,000 Arabs are fruitfully employed in different trades in that nation and belong to labour unions.

That is the situation as far as Israel is concerned. What happened with respect to the 850,000 that went into Trans-Jordan? To understand that you must study the history of Israel. Immediately after the war of liberation hundreds of thousands of people—I believe it was 750,000 Jewish people from Yemen, from Iraq and Iran—were thrown into that nation which was Israel within a short period of seven or eight months. Can you visualize the situation if in this country in the year 1954 we had to absorb 22 million new immigrants? That was the ratio to her population that Israel had to absorb when Yemen and other nations threw so many of their people into Israel; and most of them absolutely denuded of everything.

There is a problem. I am not here to say that everything done by Israel is absolutely perfect. But again I repeat that it is impossible at the present time and it will be impossible for all time to come to absorb the whole of the 850,000 immigrants. It is a great problem which the United Nations has been and is still trying to solve. Israel is ready, in fact is eager, for an over-all settlement, since armament expenditures weigh heavily on its struggling economy. Since they have the present armed armistice there, that little nation has financial and bloody border incidents and difficulties. The third week I was there, I woke up one morning to learn that

three officials at the copper mines at the Dead sea had been killed in a frontier episode at that time. These things happen nearly every day. That sort of thing cannot exist indefinitely.

I want to assure you of this, however. Israel will never work for a war of aggrandizement, but she will defend Israel to her last man and her last woman. There is no doubt about that. That spirit has grown out of the past. It is historical; it is biblical. It has been with them for all time in all the centuries of dispersal. Now that the United Nations have given that nation the right of existence, they are going to remain there no matter what happens.

No doubt there will be some problems. For instance, there is the problem of the holy places. Israel and the United Nations want internationalization of the holy places, and the United Nations want internationalization of Jerusalem. There are two Jerusalems. There is the old Jerusalem that belongs almost wholly to Trans-Jordan. On the other hand Israel is building a magnificent new Jerusalem and it is a marvellous sight to see, gleaming in the sun, that white city which is perched over 3,000 feet in the sky.

I am not going to speak any more of that problem because it is away above me; but through the good offices of the United Nations and the understanding of the Arabic states and the Jewish state I hope they will find it possible eventually to rectify and solve the problem. Time will be a vital factor. But I hope the leaders of the Arabic states as well as the leaders of Israel will always keep in their minds the thought that co-operation and understanding are better than division and armed conflict. I have hope and belief that eventually great good will come there, because there are portents and signs. When speaking to individual Arabs, many of them told me: We have no animosity against the Jewish people because, historically speaking, we belong to the same race, and that is a fact. We see what they are accomplishing and we want to emulate these accomplishments. I must say that if tomorrow there is peace between all the Arabic states and Israel, you will have prosperity immediately that will create a stimulating situation from which the whole world will benefit.

That is all I want to say about this matter, but I thought it was my duty to mention it. Again I repeat that I went there as an individual, as a Canadian going there open-mindedly, in order to see on the ground for myself what that fine little nation was doing. I came back filled with admiration for the great work they are doing in this difficult situation. For years to come that nation will need the help of the United Nations and that of not only the Jewry of the world but also of all free citizens of the world, and this should also apply to the Arab states.

In closing I just want to say a few words about our committee. I must thank the hon. member for Peel (Mr. Graydon) for accepting again this year the vice-chairmanship. I thank him for the co-operation he has shown in all instances. We all know that the committee is wide open for the expression of any criticism and that the fullest opportunity is given to see everything the members want to see and to learn everything they want to find out from the Department of External Affairs. We always have the greatest possible freedom of discussion.

This afternoon the hon. member for Peel mentioned four different problems or subjects that may be brought to the attention of that committee. No doubt it will be possible for three of them to be brought before the committee without any new measure being introduced into parliament. But early in our activities I believe we should find out if it would be possible either for a subcommittee or the whole committee to start working on the amendment of the United Nations charter, or if we will need a special order of reference. I just leave that thought with parliament and with members of our committee.

In conclusion I want to make the same wish that I have made in the past. I want to thank the members for all they have done for me and for all the kind wishes they expressed to me before I left for Israel and Europe last summer. No doubt their wishes were heard by heaven because I had a marvellous trip and a most instructive one. All my days I shall cherish the memory of the new friends I made, and keep in mind the most ardent wishes and prayers for peace in our time.

Mr. Rodney Adamson (York West): Mr. Speaker, several sessions ago we had a long and somewhat fruitless debate on the subject of a national flag for Canada. Despite the monumental number of designs put before the committee, no decision was made and we are still flying the old flag, for which I have some considerable affection, even though it is criticized because of its alleged lack of a distinctive Canadian emblem.

In the matter of international dress, however, we have had little difficulty in choosing a distinctive national garment. We have almost unanimously adopted the hair shirt. The pained bleats of the socialist party and of the press, particularly that part of it which is supporting the government, as well as the

anguished roars from the commentators on the C.B.C. criticizing Eisenhower and Dulles, deflated my pride in my country and has a tendency to fill me with shame. We have through this attitude of synthetic holiness become the Brahmins of the Occident. It is not a role which fits the character of the Canadian people, a great nation. It makes us look rather ridiculous to the people of the United States, which we cannot afford.

Let us look at this thing about Formosa. The Americans gave an order for the seventh fleet to patrol the Formosan straits, a neutralizing action. We set up a holler. They have now rescinded that order, and we set up a holler. Are we going to join the chorus of yapping dogs and continuously holler at everything the United States does? I do not think so, Mr. Speaker. It is not in our keeping and I regret that part of the House of Commons and of the Canadian press has joined in this clamour.

What does the Formosan policy really mean? It is nothing but the beginning of the end of the policy of containment, the policy that was outlined in an anonymous article in 1947 in the periodical *Foreign Affairs*, the author of which has since become known. It was the belief that you could contain communism, that you could fight a limited war against a major power. Unpleasant as that may seem, the facts of history, the facts of war, have shown that that has always been impossible, and unless we are prepared to take a realistic attitude with regard to this situation we are going to destroy ourselves by wishful thinking.

I came across an article which I think sets the situation out extremely clearly, at least it does to me. The article is contained in the *American Political Science Review* for last month by Professor J. Morgenthau of the University of Chicago. I will read just two paragraphs of his summation of the situation. He says this:

> The Truman administration could not bring itself to taking resolutely the utopian or the realist position. It resolved to intervene in good measure on utopian grounds and in spite of military advice to the contrary; it allowed the military commander to advance to the Yalu river in disregard of the risk of the intervention of a great power against which collective security could be carried out only by means of a general war, and then refused to pursue the war with full effectiveness on the realist grounds of the risk of a third world war. Thus Mr. Truman in 1952 is caught in the same dilemma from which Mr. Baldwin could extricate himself in 1936 on the occasion of the league of nations sanctions against Italy's attack upon Ethiopia only at an enormous loss to British prestige. Collective security as a defence of the status quo short of a general war can be effective only against second-rate powers. Applied against a major power, it is a contradiction in terms, for it means necessarily a major war. Of this self-defeating contradiction Mr. Baldwin was as unaware in the thirties as Mr. Truman seems to be in 1952. Mr. Churchill put Mr. Baldwin's dilemma in these cogent terms: "First, the Prime Minister had declared that sanctions meant war; secondly, he was resolved that there must be no war; and thirdly, he decided upon sanctions. It was evidently impossible to comply with these three conditions." Similarly Mr. Truman had declared that the effective prosecution of the Korean war meant the possibility of a third world war; he resolved that there must be no third world war; and he decided upon intervention in the Korean war. Here, too, it is impossible to comply with these three conditions.
>
> Similar contradictions are inherent in the proposals which would substitute for the current policy of containment one of the liberation of the nations presently the captives of Russian communism. This objective can be compatible with the utopian or realist position, but the policies designed to secure it will be fundamentally different according to whether they are based upon one or the other position. The clearest case to date for the utopian justification of such policies has been made by Representative Charles J. Kersten of Wisconsin who pointed to those four "basic defects" of the "negative policy of containment and negotiated coexistence":
>
> It would be immoral and unchristian to negotiate a permanent agreement with forces which by every religious creed and moral precept are evil. It abandons nearly one-half of humanity and the once free nations of Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, Esthonia and China to enslavement of the communist police state.
>
> It is un-American because it violates the principle of the American declaration of independence, which proclaims the rights of all people to freedom and their right and duty to throw off tyranny.
>
> It will lead to all-out world war III because it aligns all the forces of the non-communist world in military opposition to and against all the forces of the communist world, including 800 million peoples behind the iron curtain.
>
> The policy of mere containment is uneconomic and will lead to national bankruptcy.

If that be warmongering, make the best of it. Those are the unpleasant facts which we have to face. To pretend that we can prepare for and fight a limited war against a major power is nonsense. We are doing that only in our minds. Our military preparations are not to fight a limited war. What are the use of interceptor fighters unless to stop bombing of this country? Who is likely to bomb us if we are going to fight merely a limited war? What is our whole anti-submarine work in the navy for unless it is to prevent attrition on the high seas in an unlimited war? What are the full physical preparations of arms in this country for, and I submit in every other country which is fighting communism, if it is not for an unlimited war? It is only in men's minds that we think in terms of a limited war. This is now being changed in the United States.

I had the privilege of attending the meetings of the United Nations and listening for two complete days to almost the entire debate when the Indian proposals for a cease-fire

in Korea were being considered by the ad hoc committee. I listened to the spokesman of one communist nation after another get up and say "no" in about sixty different ways. There was absolutely no hope of the slightest possibility in any statement I heard, and I listened most carefully, that there was a loophole in communist thinking so that they would adopt or even go part way toward accepting not only the Indian proposition, which I think was a fair compromise, but any proposition which was not wholly their own; and their own was wholly unacceptable.

The press of the free world tried to find loopholes, tried to find some shading of words, some shading of opinion to indicate that there was a change in the communist attitude. There was no change in the communist attitude, and there is no change in the communist attitude. We are fooling no one except ourselves if we believe there is. Talking of communists reminds me of the years when I was in South America. There was a large type of parrot known as the macaw which was quite common. This was a very interesting bird with a large beak, and if you spoke to it, it would reply with a squawk. To me that is similar to talking to the Russians; there is a great deal of noise but very little real conversation. The more you see of their attitude, the more you see of the impossible impracticability of communist thinking, the more you realize that the only thing they understand is leading from strength.

The Formosan move is a step in that direction. As hon. members know, Formosa is a key island off the China coast. It is close to the United States naval base at Okinawa and only 70 miles from the Philippines. It came rather as a surprise to me to find out how extensive were the operations that have been carried on from Formosa in the past year or so. Raids are almost continuous from the island. One raid that took place quite recently had a strength of 4,000 effectives and they captured over 800 prisoners.

There are said to be some 21 divisions of comparatively battle-worthy troops on Formosa at the present time, which is the equivalent of 10 United States divisions. These men are fit, but they lack weapons. There is a potential of some 2,000 pilots, of whom 700 are said to be capable of carrying on combat missions. Some 50 to 100 are training in the United States at the present time on the most modern type of jet fighter. There is a potential of man power, of air power and also of sea power.

What sort of game are we playing if we try to neutralize a potential friendly force as large as this? It seems to me that we are still trying to fight a war in Asia with foreign troops. In other words, we are trying to fight an Asian war with troops from Europe, from the United States, from Canada and the United Kingdom. Ever since the days of Jenghiz Khan, the days of Alexander, the days of the East India Company, the days of the Indian mutiny, it has been obvious that you cannot fight a successful war in Asia without Asian troops to fight it. With the manpower potential in China it is quite obviously ridiculous to try to send European or American forces to that country. They would become lost. The manpower potential against them would be not a hundred to one but a thousand to one, and it would be the most arrant and shocking waste. Yet it would also be unrealistic to say that China is lost to the free world and that we will do nothing to assist in her liberation. Far from the Formosan incident extending the war, surely even if it brings out only a few raids we will be able to pin down more communist troops which could be employed against us in Korea if they were not so occupied.

Then there is the question of the Hong Kong-Shanghai railway, the one north and south railway in China and extremely vulnerable artery. Surely the severance of this railway from time to time or the complete destruction of it would strike a blow against the Chinese communist government which would be of major importance.

It seems that whenever our side takes positive action we get nothing but criticism. What are we going to do? Are we going to stand aside and bankrupt ourselves, or are we going to fight this war on the same terms as the communists? For my money, I believe we have to fight it on the same terms as theirs.

Let us come to the next question, the horrible suggestion that there might be a blockade of the China coast. Today 75 per cent of the Chinese communist supplies come from Russia, chiefly along the trans-Siberian railway from Vladivostok or from the Sakhalin islands, skirting Japan and getting into China that way, thus avoiding the Korean war zone. About 25 per cent of it comes from across the sea directly into China. Theoretically that is not a war potential, but just yesterday the French union forces fighting in Indo-China came across in what they call area D, which I understand is completely jungle, machine tools of the very largest type capable of boring artillery rifles, capable of manufacturing ordnance and weapons of very considerable size and numbers.

The French say: How did these machine tools get into the jungle? Certainly they were not made in the jungle. Certainly they were

not made at Saigon. There is only one way in which these machine tools got there. They were shipped in. Is it so unrealistic, when they and we are fighting a war, to do something about stopping the enemy's potential supply of arms? It seems to me that it is comparatively elemental; yet when the suggestion of blockading the China coast is made you would think the end of the world had come.

I want to mention briefly the situation in Indo-China. We have discussed the Korean situation at some length. Let me say that there is a very real and very large war going on in Indo-China, and I think some slight recapitulation of the casualties of the French union forces would be of interest. Since 1945 there have been 90,000 men killed, missing or wounded. Of this number 1,452 were officers, and the number actually dead is extremely high, being close to 40,000. Compare that with the losses of the United Nations forces in Korea as of October, 1952. Since the beginning of the war there have been 21,471 killed, 9,403 missing and 89,000 wounded. Here you have a major war going on in Indo-China. Naturally, as has been said in the house, one cannot expect that France, being occupied in such a major war, can also put forward an all-out effort in the European theatre. I think it is unwise for people to be critical of the failure of France to fulfil her NATO commitments. Practically no other country has been able to do it, and France has been fighting an all-out war with casualties in the numbers I have mentioned.

I come now to Malaya and Hong Kong. In Malaya the United Kingdom has no less than 40,000 troops. I should not say the United Kingdom, because many of them are Malayans, there are some Africans, and a Fiji battalion; but they are British troops. There are 20,000 in Hong Kong and a further 20,000 in Korea. That means that the economy of the United Kingdom is supporting 80,000 troops in that part of Asia. Surely this all adds up to the fact that a major war is going on at the present time.

The policy of containment, the policy of neutralizing the war or attempting to isolate the war, has certainly failed. We are now adopting, or the United States is adopting, a more realistic attitude toward the situation.

I want to mention briefly the situation in Europe. I was privileged to spend about a month behind the iron curtain, not only in East Germany and in Austria, but in two of the satellite countries. The feeling in the satellite countries is such that there are literally millions of people in Europe hoping for war because by war they stand their only chance of liberation from their Russian masters.

There is no question about it; when the German troops went into the Ukraine they were met with garlands as deliverers. That feeling still exists. When we say that we are fighting a purely limited war, what encouragement does that give to these people behind the iron curtain? What encouragement does it give to the people of the Ukraine, who have the dream that some day there will be a free Ukrainian state? What encouragement does it give to the people of Poland, of Czechoslovakia or of Hungary, who have the dream that again they will be free? It gives them no encouragement.

I saw enough to know that one of the reasons Russia did not attack when she was prepared in 1947 was that she was not sure of her people. Well, Mr. Speaker, she was not sure then and she is very much less sure of them now. We have to encourage those people, and we have to encourage them by our policy. A policy of restricted action, of containment, of an isolated war is something that does not bring them encouragement. They want to be free; they want to get out from under the yoke of communism. Just as we are fighting communism, so they want to fight communism.

If there is proof needed of that, look at the purges that are now going on. There is not any satellite country today that has had a continuing communist hierarchy which has lasted for over a year. Surely that shows the conditions of unrest which exist. I think there is a very direct connection between the alliance or the joint action taken by Greece, Turkey and Yugoslavia in the Balkans. I am sure that the impact of this anti-cominform pact on countries like Bulgaria, Albania and even Roumania is certainly very considerable. Now, are we going to encourage that? Are we going to encourage an attack there on the flank? Of course we are. Why, then, should we not encourage an attack on the other flank in China? There are many ways of beating the communists, and we have to use all of them.

Let us not try to play a safe war. There is no such thing as a safe war, and to attempt to play it that way is the surest way to national suicide. We have to be prepared in our minds to realize that there is no such thing as a safe war.

One last problem we have to meet is the problem of German refugees. Today there are about 1,000 refugees fleeing East Germany every day. They get over the frontier and come into Berlin in different ways, and they impose a tremendous problem of housing and overcrowding, not only in Berlin but in the whole West German state. This overcrowding and this apparent lack of interest

on our part in these refugees is in my opinion—and I spent some time in Germany—one of the contributing causes of the rise of neo-nazism. I heard it said over and over again: America and Canada are not interested in us because they won't do anything about this overcrowding.

I feel that one of the things that must be done if we are going to have stability in the West German government and if we are going to prevent the rise of neo-nazism is to see that something is done about the problem of the German refugee fleeing from the communists in East Germany.

Mr. Deputy Speaker: Has the hon. member for York West (Mr. Adamson) terminated his speech?

Mr. Adamson: No, Mr. Speaker.

On motion of Mr. Adamson the debate was adjourned.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue with the resolution to refer the estimates of the Secretary of State for External Affairs to the standing committee on external affairs. Then we will deal with Bill No. 46, to amend the Merchant Seamen Compensation Act; the two resolutions of the Minister of Resources and Development respecting the Yukon Act and the National Housing Act, 1944. Then we will take up Bill No. 110, to establish the historic sites and monuments board of Canada; and Bill No. 109, to authorize the grant of assistance to a province for the conservation of water resources. If we have time left, we will take up Bills Nos. 38 and 39.

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

HOUSE OF COMMONS

Friday, February 13, 1953

The house met at 2.30 p.m.

MARINE AND FISHERIES

Second report of standing committee on marine and fisheries.—Mr. Ashbourne.

PRIVATE BILL

REFERENCE OF PETITION TO COMMITTEE ON STANDING ORDERS

Mr. Alan Macnaughton (Mount Royal) moved:

That the petition for a private bill to incorporate the Merit Plan Insurance Company presented on Thursday, February 12, 1953, together with the report made thereon by the clerk of petitions on Friday, February 13, 1953, be referred to the standing committee on standing orders for such recommendations as they may deem advisable.

Motion agreed to.

CIVIL SERVICE CO-OPERATIVE SOCIETY

REQUEST FOR INFORMATION AS TO REPORTED SHORTAGE IN FUND

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): In view of the report which has appeared in the press referring to government intervention in the matter, has the Prime Minister any information to give the house with respect to the news report today as to a shortage in the funds of the Civil Service Co-operative Credit Society Limited and what steps have been taken by the government to deal with it?

Mr. St. Laurent: The Minister of Finance can perhaps answer that.

Hon. Douglas Abbott (Minister of Finance): I saw the news report this morning. The Civil Service Co-operative Credit Society Limited is a credit society incorporated under the province of Ontario Credit Unions Act. It has been in existence for some forty years, I believe, and has some 9,000 members all of whom are federal civil servants. A short time ago it was discovered that there appeared to be shortages in the funds of the society amounting to some $120,000 or $130,000. The government, of course, is not in any way concerned, directly or indirectly, with the management of the society which is operated under the act to which I have referred; but it has an interest in the affairs of the society because all of the employees are government employees. When the matter was reported to me it was indicated that the society proposed to take steps to investigate the management, auditing system and so on in order to ascertain what had caused the shortage; and as will have been seen from the press report this morning, a strong committee of senior civil servants has been set up to that end.

It is not clear yet what has caused the shortage but I think there is a pretty fair assumption that it has been inadequate bookkeeping methods over a considerable number of years; and it may well have been due to an improper setting up of profits which had not in fact been earned.

In any event, when the situation was reported to the government it was decided that, on the condition that the society take steps to see that its affairs were properly handled, the government would recommend to parliament the making of a loan to the society of up to $100,000 at an interest rate of 4 per cent, repayable in instalments out of profits. That is the position at the moment.

NATIONAL FILM BOARD

INQUIRY AS TO REMOVAL OF HEADQUARTERS TO MONTREAL

On the orders of the day:

Mr. Alan Macnaughton (Mount Royal): Mr. Speaker, I would like to direct a question to the Minister of Resources and Development (Mr. Winters). Can the minister say if the decision has been made to move the national film board to Montreal? If so, where is the new site to be, and when will the move be made?

Mr. Fulton: If he can answer that, why can he not answer my question?

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker probably it will be recalled that J. D. Woods and Gordon Limited, management consultants, in their report on the national film board in March of 1950, and the special committee on the national film board which was set up to study the board's annual report last year, both reported the present accommodation to be unsuited to the purposes of the board. Both recommended that more adequate accommodation be provided and that the operations be assembled under one roof.

In the light of these recommendations as well as those of the board itself, it has been decided to move the operating sections of the national film board to the Montreal area, and a site has been acquired by the Department of Public Works in Ville St. Laurent. Plans are presently being completed and it is proposed that construction of the building will start later this year. It will be at least two years before the move can be made.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I wonder if I might ask a question of the Minister of Resources and Development in the light of the fact that he has just given an answer to the hon. member for Mount Royal (Mr. Macnaughton). Would the minister say when I may expect an answer to a question passed as an order for return by this house in connection with the same subject and asking for much the same information as the hon. member for Mount Royal asked for. The question was passed as an order for return on February 4, 1953.

Mr. Winters: Mr. Speaker, my colleague the Minister of Public Works is compiling the information and I understand that he will have a return which will be tabled very shortly.

FISHERIES

EXTENSION OF SMELT FISHING SEASON— PRINCE EDWARD ISLAND

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I desire to direct a question to the parliamentary assistant to the Minister of Fisheries (Mr. MacNaught). I have had requests from the smelt fishermen on the East river in Prince Edward Island—and no doubt the department has had requests from them also—asking for an extension for ten days of the smelt fishing season. Will the department give consideration to this matter as it is of immense importance to the smelt fishermen.

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I wish to thank the hon. member for Queens (Mr. McLure) for having given me notice of his intention to ask this question. I also received inquiries from the hon. member for Kent, N.B. (Mr. Leger), the hon. member for Northumberland, N.B. (Mr. McWilliam) and the hon. member for Gloucester (Mr. Robichaud) relative to the extension of the smelt fishing season in their respective constituencies.

A complete investigation has been carried out by the departmental officials and, as a result of that investigation, and from the experience gained last year when the closing dated was extended, it has been decided that it is not in the interests of the proper conservation of those species of fish to extend the season.

CIVIL SERVICE

HOURS OF WORK AND RATES OF PAY

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 Prime Minister in a position to make any statement as to the outcome of the conference that he was to have had at noon today with representatives of the civil service regarding rates of pay and hours of work?

Right Hon. L. S. St. Laurent (Prime Minister): Well, Mr. Speaker, I can report to the house that there were compliments exchanged on both sides.

Some hon. Members: Oh, oh.

DAIRY PRODUCTS

INQUIRY AS TO EMBARGO BY UNITED STATES

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I want to direct a question to the Prime Minister in connection with the messages that passed between the Canadian government and the United States government in connection with the embargo by the United States government against certain Canadian farm products. What was the nature of the representations made by Canada with reference to this question, and what was the reply of the United States as to the removal of these embargoes?

Right Hon. L. S. St. Laurent (Prime Minister): I am not in a position to give any precise information beyond that which would appear in the note to the United States government which was printed as an appendix to *Hansard* of Wednesday, February 11, in which representations are made and previous representations are referred to.

The hon. gentleman's question is in pretty broad terms—I would imagine that the terms would apply even to livestock.

Mr. Diefenbaker: I am not speaking of livestock but of certain agricultural products.

Mr. St. Laurent: Field, vegetable or dairy products?

Mr. Diefenbaker: Dairy products.

Mr. St. Laurent: Dairy products. Well, I will have the records looked up and get the precise information. For the moment the only precisions I can give are those which

are already on *Hansard* in this appendix to the report for Wednesday, February 11.

BRITISH COLUMBIA TELEPHONE COMPANY

INQUIRY AS TO PURCHASE OF GOVERNMENT TELEPHONE SYSTEM

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Transport (Mr. Chevrier) a question of which I have given him notice. Is the minister able to confirm a report that negotiations for the purchase by the British Columbia Telephone Company of the government telephone system in that province have been broken off or have been concluded?

Hon. Lionel Chevrier (Minister of Transport): I am not aware that the negotiations have broken down or have been broken off. As a matter of fact I do not know that it can be said that the negotiations have started. I indicated to the house some time ago that representatives of the British Columbia Telephone Company came to me following a report which our officers had made on the facilities in British Columbia. They simply asked that matters be held over for some time so that they could be allowed to study the report and come back. They have not yet come back and that is why I say I do not think that it can be said that negotiations have even started. I am informed, however, that they intend to come to Ottawa in the not too distant future.

Mr. Graydon: Another exchange of compliments.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed, from Thursday, February 12, consideration of the motion of Mr. Pearson:

That items Nos. 85 to 104 inclusive of the main estimates, 1953-54, 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.

Mr. Rodney Adamson (York West): Mr. Speaker, I had finished my remarks last night and only asked for the adjournment of the debate in order to protest against those members who shout "time" to you and who now have delegated themselves to be the keeper not only of your conscience but of your clock as well.

Mr. L. Philippe Picard (Bellechasse): Mr. Speaker, when he introduced the motion under discussion, the Secretary of State for External Affairs (Mr. Pearson) made a thorough and comprehensive report on the international situation and dealt particularly with our relations with the United States, South America and the commonwealth, outlining the government's policy in its relationships to those countries. He gave also detailed information as to the government's attitude on Korea, the situation in the Far East, and in southeast Asia, and he wound up his report with the problems facing NATO and the Canadian attitude with reference to them.

I think the house and the country will agree with most of what the minister said and, by and large, we all can rejoice that Canada's policies are dictated by good judgment and by a cautious approach to every new development in world affairs; and also with courage and vision, assuming a firm attitude when required.

We are all in agreement, I think, that our over-all role should be the maintenance of peace in the world so that our country may continue to develop harmoniously and with the gigantic strides it has taken in the last ten years. But we are also determined to do our share to see that peace is secured by taking all the steps judged necessary to deter any nation from attempting to dominate the world. The minister has earned our approval and appreciation for the share he has played in drafting Canadian policies in international affairs, and for the role he has played on the international scene, as well as for the lustre that is reflected on Canada through his well deserved popularity and authority in the councils of the United Nations.

I have pleasure also at this stage in saying a word of appreciation of the part played by the member for Cochrane (Mr. Bradette) in his capacity as chairman of the external affairs committee. His career should stand out as an example to many young men who aspire to enter politics, as well as many new members in this house. Over the years the hon. gentleman has literally made himself into a worthy parliamentarian, and he deserves the highest consideration from his constituents, from his province and from this house.

Before entering upon the main body of my remarks, I should like to sound a note of caution as I did last year about the danger of accepting too readily the leadership of our neighbours to the south in international affairs. For too long a period of her existence has Canada been bound by British policies when this country was under the tutelage of that great power. For far too long have Canada's policies been based on British policies or influenced by British

interests since we have become of age. For far too long, in my opinion of course, this state of affairs has been more of a burden than an advantage to our country. Knowing how serious the consequences of being tied to the policies of a great power may be, no matter how friendly that power might be, we should be more than cautious today not to put ourselves in the same relationship to another great power. Surely we have not disentangled ourselves from the cobwebs of British international interests to tie our fate to policies that are made in Washington and about which we are not even consulted.

Of course Canadians realize that, in a world split into two spheres of influence, their own interest lies with those with whom they have the most in common and with the country whose economy has most impact upon theirs. Most Canadians have sympathy and understanding for their powerful neighbour but they would not relish the idea of playing the role of a satellite any more than the people in the satellite countries of the Soviet must like the role their country is called upon to play. It is hoped that the new administration in Washington will not overlook the advisability of dealing with our country with all due care and attention. In this way they may be certain that they will gain more friendship from a partner frequently consulted than from a reluctant or hesitant follower.

Canadian policies, Mr. Speaker, should be made in Ottawa, having in view Canadian interests and the commitments made by us in the interests of the preservation of world peace. I, for one, was favourably impressed by the cautious way in which the minister touched on the situation in Korea and the Far East during his speech. It is to be noted, Mr. Speaker, that Canada is committed to its share of the policing activities of the United Nations in Korea, and that is as far as this parliament has authorized the government to go. The statement by the minister that the guiding principle of Canadian policy in Korea is to do everything possible to restrict the present hostilities to the Korean peninsula was a renewed assurance of Canada's position that will meet with wholehearted approval in the country.

I should like also to call attention to another statement the minister made which has the approval of most Canadians. He said, as recorded at page 1853 of *Hansard* for February 11, 1953:

> We do not believe, accordingly, that the western powers should press for military or economic measures, at the United Nations or elsewhere, which would certainly not be supported and indeed might be actively opposed by important non-communist Asian states, and which without such support would be less effective in ending the Korean war than in extending it.

And later on the same page he said:

> It is, of course, very natural indeed to desire to hit the aggressor in new places and with new weapons, but it is also wise to realize that in consequence he may also hit us somewhere else and with new weapons.

The path, Mr. Speaker, between the desire for peace at all costs and the desire to see our cause triumph at all costs is narrow and full of dangers. In the first instance, we would agree to some bargaining, and in the second instance we might contribute to the doom of tomorrow, because no victor can emerge from the next conflict and enjoy his victory.

However, my object in rising today was not so much to expand on what the minister had said as to make a few remarks on the conditions that prevail in other parts of the world, and which may have a bearing on the maintenance of peace. In a situation such as that which has prevailed in the world since the end of world war II, one cannot overlook any of the events or problems which may, in one way or another, worsen the chances of preventing a new world conflict. Nor should we forget that the events in the world may depend on the outcome of other moves that may be made from time to time on the chessboard of the world.

One of the spots where problems may be less acute at this moment, but no less important than those prevailing elsewhere in the world, is the Middle East. When the politburo chose Korea as the testing ground of American resiliency, shall I say, there is no doubt that many spots were considered, and that the Middle East, particularly Iran, was one of the possibilities. The fact that they chose Korea should be a cause of satisfaction for us but not of reassurance. Our satisfaction must come from the fact that the Middle East is much more vitally important to us, and that the situation there may still be saved. But we should not be reassured until the proper and necessary steps have been taken to improve and consolidate our position in that area. These steps will demand more understanding and more determination to co-operate and help than has been shown in recent years by Britain, and more positive, friendly action than has already been taken by the United States.

At this point, Mr. Speaker, I find myself in the awkward and delicate position, in order to substantiate the views I have reached, of giving the house an account of a trip I undertook in the Middle East last fall. In the course of this trip I had the privilege of meeting most of the outstanding statesmen in that region of the world. If the house will bear with me for a moment,

I shall give a few highlights of my journey, and mention some of the people I interviewed, before I come to the conclusions I have reached.

I might say, first, that all but one of the interviews I had I arranged myself upon reaching a capital by calling directly the secretary of the official I intended to see or in some instances the protocol section of the foreign affairs department. On such occasions I stated that my trip was purely personal, but that as a member of this house I would eventually report to it or to the external affairs committee. In each case I was received with the utmost courtesy, and I would say cordiality. Everywhere I found that Canada enjoys the highest consideration in that part of the world, and this may be explained best by using the words of one of these statesmen, who said:

> Canada entered two world wars without being threatened in its territory; it did its share nobly without any other motive than that of sharing in collective security measures; it helped others in time of stress; it reaped no material gains in return. It hurt nobody because it had no expansionists aims, whether territorial or commercial. It is not surprising therefore that it still enjoys the consideration it well earned by its conduct.

Be that as it may, I must say it gave me great pride in our country to experience the warm hospitality and the greeting I received everywhere.

Before proceeding to the Middle East I spent about three weeks in Greece and Turkey where I had long interviews in Athens with Mr. Venizelos, the then minister of foreign affairs, and in Ankara with the foreign minister, Mr. Koprulu. In Teheran I met Mr. Navab, the then foreign minister, and Mr. Mabil the permanent under-secretary, as well as members of parliament and generals of the army. Unfortunately my appointment with Premier Mossadegh was fixed for a date on which it was not possible for me to return to Teheran. In Baghdad I met the acting minister of foreign affairs, the permanent deputy head of that department and the British ambassador. In Beirut I was received by President Chamoun, and also had an interview with Mr. Hamid Frangye who was twice a delegate of Lebanon to the United Nations. In Damascus I had a long talk with Colonel Shishakly, who led the coup of 1948 and is the recognized leader of the country. In Amman I was received by the prime minister, Tewfik Pasha Abuluda, and in Israel I had luncheon with the foreign minister Mr. Sharett. In Cairo I spent over an hour and a quarter with the prime minister, General Mohammed Naguib.

I apologize for this long reference to the personal contacts I established in the Middle East but considered it better to do it that way so as not to refer later to any of the personal and sometimes candid and open statements made by some of these statesmen and leaders.

The first and consoling conclusion is that none of these leaders favour the advent of communism in their part of the world and that none would like to see Soviet expansion be the result of the actions of their governments. Most of them favour a form of mid-eastern entente connected with or related to a Mediterranean defence pact, but none would favour his country entering it unless it be on terms of absolute equality of status, and in the case of Egypt only when any form of external influence in the shape of occupational troops or otherwise has ceased.

None of them thought that the U.S.S.R. would attempt any violation of any territory in the Middle East unless a general war developed in the world. Some of them recognized the danger of communist uprisings or communist-inspired parties gaining power, but significantly enough none admitted this danger to exist in his own country.

As to the Israeli-Arab feud, both sides profess that they observed the armistice terms and that the other side did not. All expressed the conviction that the conflict will not flare up anew, but while Israel professes that it would be ready to sign a peace treaty along the lines of the armistice terms with minor modifications of frontiers, the Arab states do not appear to be ready to go that far at this moment.

There is a strong trend towards nationalism and a distinct suspicion of, and antagonism to, outside pressure or influence throughout the Middle East.

The result is that if there is distrust of the Soviets, there is not on the other side any particular sympathy for Britain, France or the United States. Britain is decidedly most unpopular in Iran, Israel and Egypt. France has lost popularity in Lebanon and Syria on account of the happenings in Tunisia and Morocco. As to the United States, they dominate the whole area commercially but they have gained yet no true sympathy.

Statesmen expect much from United States leadership but seem to think that the United States lacks understanding of their problems and of the mentality of their peoples. There is a great opportunity for United States diplomacy in the Middle East but much will depend on the personnel sent there by the new administration and by their approach to local situations.

Of all this area, Lebanon, a small country, is the one where modernization in our western sense has made the most rapid steps. The country professes to have no grudge against anybody; it has apparently joined the fight against Israel more out of solidarity with the neighbouring Arab states than out of any real antagonism. There is no sign of xenophobia, and foreign investors are welcome.

The recent overthrow of the former president was more in the way of purifying the atmosphere of alleged graft and corruption, and the main reform in sight is that dealing with granting of more liberal and democratic election laws so that parliament be more fully representative of the population. There is no serious threat of communist gains from the inside. The economic situation is fair and the recent agreements with Syria should greatly benefit both countries.

Syria, or at least Damascus and the neighbouring villages, does not give evidence to an outsider of living under a military dictatorship. There are no troops or state police in sight and the man in the street does not complain. People expect agrarian and electoral reforms, both greatly needed; in the first instance, to break up large domains and give ownership of the land to those who work it and, in the second, to enlarge the electorate and take parliament away from the control of the privileged few.

There is no strong manifestation of communist gains but the masses are poor and if it was not for the hope in reforms, which some claim to be overdue after four years of the present regime and for the confidence still enjoyed by Shishakly, the ground would be fertile as everywhere in the Middle East for communist gains.

When I visited Iraq it was apparently calm but it is undeniable that the communists were active and that the social and economic situations are far from sane and would easily lead to mass uprisings unless reforms are instituted or a strong regime implanted, which seems to be what happened after the November riots.

The Hashemite kingdom of the Jordan was a one-man show, that of the late King Abdullah, and it is kept in existence by the Arab legion of Glubb Pasha under the guiding hand of Tewfik Pasha, who was Abdullah's trusted friend and executive assistant. The country has inside problems of adjustment between its old and new populations. It is poor but it has the best trained army in the Middle East and the largest of any country in proportion to its population.

Israel, given twenty years of peace, can, even within the boundaries fixed by the armistice, become a great country. It is a land of experimentation in sociology and genetics, as well as in agriculture and industry. Its population is dedicated to a cause and full of zeal. Providing it gets from the outside assistance in the form of capital investments and donations, and providing it can straighten out its relations with its neighbours, it is bound to become a constructive factor in the stabilization of the Middle East.

I may say that I owe much of my better understanding of Israel to a distinguished Canadian, Mr. A. H. Friedgut, Q.C., formerly of Winnipeg and now representative of the Canadian zionist movement in Jerusalem, who spared no time and energy to have me, in the week I spent in that country, become acquainted with its leaders, its people and its problems.

In relation to the Palestinian question, I must add that the fate of the Arabs from Palestine who sought refuge in neighbouring countries must remain the object of special consideration by the United Nations and other organizations and their resettlement hastened if a cause of friction is to be minimized, if not entirely eradicated.

Excepting Lebanon and Israel, all the Middle East countries are underdeveloped, their populations are poor and illiterate, and were it not for the fatalism of Islam would be the most fertile ground for communism. Help under point four and under United Nations organizations could greatly improve the situation, provided the necessary reforms were undertaken to lessen the gap between the privileged few and the needy masses.

Under the present circumstances there is no incentive for them to join one side more than another, and they might prove to be passive and fatalistic onlookers in the event of an encounter on their territories.

Iran has been one of the trouble spots of the world since the end of the war. It is significant that Russia did not make it its proving ground, and accepted the rebuff made to its puppet government of Azerbaijan in 1946. Things move so quickly that most people have forgotten those events, and the oil dispute now overshadows in our minds all other problems. The Iranian problem cannot be considered only as a fight between an obstinate and theatrical old man and an arrogant world power. One must look more deeply into all those angles to understand fully the situation. I was given access both at the Iranian embassy in Paris and at the foreign ministry in Teheran to all the documentation supplied to Mr. Averell Harriman when he went there as President Truman's personal representative.

From this point on I must apologize for my remarks as I did not have a chance to make notes of what I want to say.

The Iranian problem is one that has to be considered from two different angles. First of all, you have the legal point on which I am personally positive that the British case stands up well. So far as the legal position of the British is concerned, I am quite sure that the stand taken by Britain is one that would be upheld in any court.

An agreement was entered into in 1902 with gentlemen who later organized a company, which company eventually became the property of the British government to the extent of 53 per cent. The terms were specific. They were revised and extended in 1933, after strong pressure from Britain, and all of a sudden the agreement was disregarded by the Iranian government. In a court of justice it would be considered as a contract that had not been fulfilled, and Britain would eventually win the case. But we have to look further into the Iranian case. There is also the question of equity, the question of opportunity as well as the relation the problem has to world peace and especially to peace in the Middle East. The agreement with the British government was such—I have not the figures with me, nor the documentation—that in one year the British government, owning 53 per cent of the shares, collected in taxes as well as in dividends on their shares about £53 million; while in the same year the Iranian government got for the oil that came out of the country £16 million. That was legal, but was it fair and equitable in the circumstances? Was it possible, with the nationalist feeling that existed in the Middle East, that that state of affairs could go on for interminable periods? Could that continue without provoking a demand for the nationalization of the oil industry?

I contend that had Britain gone to the former prime minister, Ali Razmara, who was assassinated, and offered to him the terms that they have since offered to Mossadegh, the former prime minister might not have been murdered and the oil industry might not have been nationalized. But the forward steps that were taken were so hesitant and they came so late that the nation was incited to demand more and more by fanatics or extremist politicians, to the point that within the last few years we have seen Mossadegh gain power after having all his life claimed that the British had abused his country, and so on.

Although Britain's case was sound legally, it would have been good international politics to accept better terms on time and not too late, and we might not have been faced with the situation that confronts us now. As it is, the country is in such a position that i any prime minister or any man wanted t go back on the stand taken by Mossadegh o demand less he would be either overthrow or murdered. I would go so far as to sa that there might be very few serious publi men in Iran today who would be willing t take the old man's place should he die fro natural or other causes, or should he b defeated. The conditions in the country ar such, with religious extremist influences pre dominant on one side and the Tudeh com munist party agitating on the other side, tha there is no telling what might happen. W have seen lately that in the fight betwee Mossadegh and Mullah Kashani, Mossadeg got the best of it. I think the country i behind him at this moment as it was a yea or so ago. Of course one must understand th difficulty of a great power withdrawing o receding from its previous position but think the only solution is, if we do no want the government there to go bankrup any more than it is now, if we do not wan them to be forced into the position wher they will have no money to pay their arm or their civil servants, if we do not wan conditions to get worse, to have an agree ment reached under which an internationa company, let us say, or a United State company, but preferably an internationa company, manned by about 500 experts o the different nations of the world, would b set up to operate the oil industry. Right no the reserves at present in Abadan should b gradually liquidated, and instead of th British trying to stop every ship that passe Aden or elsewhere, they could protest to th international court of justice or otherwis but let the oil go through so that more mone would come into the country to finance i and at least stabilize it so that we would no get a worse condition than we have now.

We have seen Kashani flirting with th Tudeh elements, and opposed to that is rather theatrical, weeping old man who i the only force at the moment that stand in the way of worse conditions. At th moment we do not have an ideal man t deal with. The moment may come whe we might have nobody to deal with, and th conditions might be much worse. It is on of the sore spots of the world. It demand brilliant diplomacy on the part of othe nations whose representatives are keepin in touch at all times with Teheran and th situation there and try to induce the Britis to relent, because nothing can be done fro within unless oil is sold and money come in, and the oil refineries start working again

It is all very well to stand on lega grounds, but we must not be like the ma who was on the highway and said: "I am

in my rights in staying on the right hand side of the road", even though he sees a bulldozer right in front of him. We should not ruin the chance that we have of keeping this nation in stability instead of being influenced from within by communism.

I have met statesmen who have said that Russia will never invade any of these countries. Why should they? One by one many of them might fall prey to inside communist influences. The only one where the danger is actually present is Iran, and I think it is high time that the situation was taken in hand and something was done about it.

I will now consider Egypt where, as I said before, I had the privilege of having a long interview with the prime minister. I arrived there on the day after the agreement had been signed with the Sudanese representatives and on the day also that Naguib was presiding over a meeting of the Arab League. If I might interject another personal word, I was supposed to see him at five-thirty, and at six-fifteen I saw coming out of an adjoining room all the members of the Arab League headed by the son of Ibn Saud, the crown prince of Saudi Arabia, who was followed by delegates of the other Arab states.

I thought my interview would be very short at that time, since the hour was getting late. I had been told that the German ambassador was supposed to see the general right after me. In spite of that, however, I was brought in and told that there was no hurry.

The general showed considerable interest in Canada, and a better knowledge of this country than one would expect. He has a better knowledge of Canada than I found in many other places, and knows about conditions in our country. I might say, in passing, that he complains that we have not reciprocated by sending a diplomatic mission here, when one has been established in Canada. I might also add that the same has been said in Lebanon and Israel. Evidently there are reasons for this about which no doubt the minister knows more than I do. My only answer was that we hoped that we might reciprocate in the not-too-distant future.

I might add that I was favourably impressed by the general's unassuming, sincere and unselfish attitude. Despite all that may have been said as to his dispensing with the constitution for three years, I have become convinced that he is devoid of personal motives, and that his intentions were really to give his country a more democratic form of government, after the purification of the present parties.

[Mr. Picard.]

The situation in Egypt, I need not remind hon. members, is such that out of a population of 20 million about half a million live decently, while the rest are on the verge of poverty. Without any wish to insult the relatives of any former ministers in that country, it was generally understood that to enter the cabinet ensured the fortune not only of the minister but of his friends and relatives.

The present prime minister said, himself, that one of the main endeavours in his work was to make sure that the same condition would not prevail in respect of the new group taking office. He pointed out that a reform of the civil service would take considerable time, and that we could not expect any radical change in a short time.

I was in the country to a point as far removed as the border of Sudan, and talked to many civil servants including judges and crown attorneys in rural districts. They all expect that within five years' time we will see a great change brought about by Naguib and his government. None seemed to think that the propaganda spread by the Wafdists and other enemies of Naguib proved that Naguib is a puppet in the hands of a few who run the country.

It is true that the movement came first from a group of young men in the army, many of whom were disgusted with conditions in the Egyptian army during the Palestinian war, and many others who just had army training and felt that they could do some good by helping to bring about a reform in the government of the day.

Those men at one time chose Naguib as the one most likely to gain popular favour, and the one whose advent at the moment would best bind the group together and strengthen it.

I must assure the house that the general opinion throughout the country, certainly among those people in different classes to whom I have spoken, is that the man himself is no fool, and that he is not the puppet of anyone. I came to the same conclusion after talking with him. The reform in Egypt came first in the agrarian laws, which I have read entirely, but the explanation of which would take too long. These reforms are earmarked to bring about better conditions throughout the rural classes, while not depriving the agricultural industry of the machinery already existing.

Personal holdings, for instance, are limited to 200 acres. Formerly holdings were as high as 50,000, 100,000 or 150,000 acres. Of course some will say that the breaking up of these vast domains which were operated in some instances with modern machinery

would work against the progress of agriculture in the country. The law provides however that in such territories as were administered as a unit the machinery shall be co-operative, as obtains in the great co-operative organizations in our own country, so that the people may share it.

Loans are to be given to these people. Owners are supposed to be repaid within a period of twenty years out of the rents the farmers will pay for their farms.

At the time I was there the two great events were the agrarian reforms and the agreement on the Sudan question. I saw yesterday that an agreement has been made with the British government concerning Sudan, an agreement more or less along the same line as the one that had been reached with the Sudanese themselves, except that in the first agreement they had the opportunity of choosing between complete independence and union with Egypt.

In the first one they were supposed to take that decision within three years in a plebiscite. In the new agreement there is added the possibility, according to British news agencies, of their joining the crown or staying with Great Britain through having some form of government under the British crown. But that is a minor point, in the end.

The important point was to let the people of the country determine the future of their own country: they were the ones to decide. I might say this, that the reaching of that agreement, the unification of the people of the Nile, the throwing out, if I may use that word, of the outsiders, was the scheme claimed to be one of the great achievements of the general at the time.

During conversations the general said, "I am not anti-British. I recognize what they have done. I also recognize that over the last seventy years they have said from year to year that they were going out. They have not started to go out yet. I do not necessarily demand that they go tomorrow, but I would like to be sure that within a period of five years the country will be entirely free of outside troops. The reaching of that end can be studied and considered peacefully by the two countries."

Far from being an extremist or decidedly anti-British, I found the general to be very broadminded on all such questions. I found him to be well informed on all international affairs. I am one who thinks—and there are many others who are of the same opinion—that the present conditions in Egypt are for the good, and would bring about a betterment in the administration of the country, as well as of conditions throughout the country generally.

However, as was pointed out to me by some more democratically inspired statesmen during that trip, it is to be deplored that because of the lack of timely reforms the pattern developed in some of these countries in terms of a strong army leadership and undemocratic government. But, at this stage, to many this seems to be one of the necessary evils to counteract communist influence.

The leaders I met all professed and proclaimed that their aim was to promote an efficient restoration of democratic institutions, and they believed this to be possible only after a general purification of the former habits of autocratic governments which were democratic only in appearance, and in the hands of a few privileged leaders who ran the country only for their own selfish interests and those of their friends and families.

I had intended to talk about certain matters concerning the internal administration of the department. I think however that at this stage I shall leave the discussion of those matters until the committee on external affairs sits. There is one thing though that I should like to say, before I take my seat, by way of a suggestion to the minister. Wherever I have entered a Canadian embassy abroad I have never seen a picture of the Governor General or the Prime Minister of this country. In some places they have a picture of the former King and Queen, probably the new Queen now, but after all we are a country that has institutions of its own and I do not think it would be considered political propaganda to display a picture of the Prime Minister and one of the Governor General, because with our institutions—let us hope it will take a long time to come—prime ministers may change and parties may change. Therefore there is no political aspect involved in the suggestion. When foreigners enter our embassies I think it would be good for them to know that we have a representative of the Queen and that we have a Prime Minister. So far as suggestions are concerned that is as far as I will go at the moment with respect to the internal affairs of the department.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, in this debate the temptation is great to range the world over but I intend to discipline myself and speak on only one particular aspect of the United Nations, the position today of the secretariat. Before I proceed to do that I think I should express the feeling of pride with which Canadians saw a fellow Canadian, in the person of the Secretary of State for External Affairs (Mr. Pearson), preside over the assembly of the nations of the world. It was a great tribute to my hon.

friend and one which was richly deserved. It was a tribute to Canada too, but since the minister has had no small part in the formulation of Canadian policy perhaps it can be construed indeed as a double tribute.

In his absence the Minister of National Health and Welfare (Mr. Martin) made what I considered to be an admirable chairman. My appreciation stems partly from the fact that never at any time was I refused information which I wanted, and in large part because of his insistence on my right to object when I considered that the delegation needed some other and contrary point of view. It is, of course, rather lamentable that I should have to say these things in an election year, but since I consider them to be true that must be my justification. As for the members of the department who were at the UN in an advisory or other capacity, I found them always helpful, invariably willing to consider a proposition, frequently overworked, and never ready to say yes when they thought the answer should be no.

Now the whole problem of the secretariat is going to come before the meeting of the United Nations which will start next week. One can only hope that an acceptable solution will be found but as far as acceptability goes I must let the government know that our standards are going to be high. The United Nations is built on twin pillars, one of them being the loyalty of the member states, the other the efficiency, integrity and competence of the men and women who make up the secretariat. We harm the one and we hurt the whole structure; we destroy the one and we bring the structure down around our ears. Yet an attempt is being made today, in some quarters innocently, in other quarters with the most deadly malice, to destroy the secretariat and the value of the secretariat of the United Nations.

What is Canada's view about the secretariat? We find it expressed in a phrase in this year's copy of "Canada and the United Nations" where it is stated that "a secretariat of very high calibre has been built up". The Secretary of State for External Affairs quite understandably said little about this problem when he spoke, but I think it would not be amiss to quote what he said on the 12nd of December on the adjournment of the seventh session of the assembly. He said:

> I should like also to take this opportunity of saying a very well deserved tribute to the secretariat and to its distinguished leader, the secretary general. The continuity and effectiveness of the general assembly's work must depend very largely on the integrity and efficiency of our international civil servants. The secretariat have once again served us loyally and well, and I should like to express the assembly's appreciation for their extremely hard work and devotion to what is often a thankless and difficult task; and to what is often a misunderstood ideal, that of international service.

[Mr. Stewart (Winnipeg North).]

Yet if one reads many of the magazines, periodicals and newspapers which come out of the United States one would believe that this organization is riddled with communists, and we are entitled to ask: Who is right? I do not profess to know everything about the secretariat; far from it. But I do know sufficient to say with firm conviction that the belief of Canada in this matter is impeccably right. The secretariat over the last number of months has been the victim of persecution which one can only describe as outrageous. Yet we have to consider it in the light of the whole social scene of the United States. We have to appreciate the intense desire of American parents to bring their own sons home from Korea. We have to appreciate the feeling that perhaps in this United Nations struggle in Korea they are fighting too much alone. It is a position which we in Canada can appreciate, for we remember only too vividly the days of 1939 and of course 1914.

Their anger and their wrath against the communists, when one considers the United States casualties, is understandable, but unhappily it has too often been diverted against the guiltless and innocent. The secretariat of the United Nations has been used as a stick with which to belabour the last administration, and it was so used for many months. There are certain types of politicians in the United States who have found that by crying "communist" loudly enough and often enough they will secure headlines and will be able to bask in publicity. Therefore they have been indiscriminate in their charges and one of the organizations which has suffered most has been the United Nations.

We have of course had the McCarran committee, a group which the Manchester *Guardian* has described as a grotesque body. We have the grand jury of New York which stated in December that there was infiltration into the United Nations of an overwhelmingly large group of disloyal United States citizens. Is it any wonder then that the people of the United States are afraid and doubtful as to what the United Nations really is doing in that country? Fear and doubt have been spread until the value of the secretariat has substantially diminished. When I was in New York I happened to read a dramatic criticism by Brooks Atkinson of the New York *Times*. There has been a revival of an old play, The Children's Hour,

and Mr. Atkinson quotes Burns Mantle as having this to say about it in 1934:

> The true theme is the curse of scandalmongering and the whispering campaign, the kind of vicious lying that may easily wreck the lives of innocent people.

Mr. Atkinson goes on to say:

> We are more keenly aware of the implications of the play today because slander is now a common factor in the life of the nation, accepted by many reputable people as an evil necessary to a search for genuine traitors.

I think Mr. Atkinson was unduly harsh on his own countrymen, for I feel that there are certain hopeful features about the situation, although not in the immediate future. I have a certainty that eventually the Americans will deal faithfully with the calumniators, the traducers of the reputations of men and women working in the secretariat. Yet the problem is an urgent one. I believe that Mr. Atkinson wrote more in anger than in sorrow. That is how I speak. I speak in anger towards a friend who is doing something unworthy and which thereby detracts from the lustre of his own good name.

When the secretariat was formed some years ago it attracted men and women from all countries—men and women who had a sense of devotion and who regarded it as an honour and privilege to work with the organization. They embarked upon their tasks with high hopes and perhaps even higher aspirations. Today those hopes are undermined and those aspirations expiring. The morale of the secretariat is being wantonly destroyed. We permit this to continue at our peril. Permit it to continue and we shall destroy the United Nations. As far as this group is concerned, and I hope other groups in this house, none of us is prepared to be a partner in that project.

Now, what are the duties of the secretariat? Here I quote from the United Nations charter, article 100, subsection 1, which reads in part:

> In the performance of their duties the secretary general and the staff shall not seek or receive instructions from any government or from any other authority external to the organization.

Subsection 2 reads:

> Each member of the United Nations undertakes to respect the exclusively international character of the responsibilities of the secretary general and the staff and not to seek to influence them in the discharge of their responsibilities.

And in article 101, paragraph 3:

> The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity.

To go further I have here the rules and regulations of the United Nations secretariat which were published on December 1 of last year. Regulation 1.1 states that:

> Members of the secretariat are international civil servants. Their responsibilities are not national but exclusively international. By accepting appointment, they pledge themselves to discharge their functions and to regulate their conduct with the interests of the United Nations only in view.

Regulation 1, paragraph 3:

> In the performance of their duties members of the secretariat shall neither seek nor accept instructions from any government or from any other authority external to the organization.

The position I take is that where a member of the secretariat of the United Nations is loyally fulfilling what is required of him, either through the charter or through the staff regulations, then there can be no grounds whatsoever for dismissal, no matter how importunate individual nations may be. Today in the United Nations itself many of the ordinarily accepted democratic rights of people have disappeared.

I have in my hand the universal declaration of human rights as adopted by the general assembly of the United Nations on December 10, 1948. Article 12 states:

> No one shall be subjected . . . to attacks upon his honour and reputation.

That is what is happening today.

> Everyone has the right to the protection of the law against such interference or attacks.

That is not happening today. That protection has never been accorded them either by member states or the secretary general whom one would have thought would have gone to the defence of his own staff.

Then one can read also article 19 of this same declaration of human rights:

> Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Today the degree of fear which prevails in the United Nations is so great that the right to freedom of opinion has disappeared in the sacred name of conformity.

Let me quote again from the grand jury which made its presentment on December 2 of last year—and if one cares to go further one can read the recent report given by the secretary general on January 30, 1953:

> This presentment contained no indictments and mentioned no names. It set forth certain conclusions and made certain recommendations. Among the conclusions were statements that there was "infiltration into the United Nations of an overwhelmingly large group of disloyal United States citizens", and that this situation constituted a menace to the security of the United States.

There is the flat assertion that there has been "infiltration into the United Nations of an overwhelmingly large group of disloyal"

people; and yet when one reads this report of the secretary general does one not come appreciably nearer to the facts?

Paragraph 45 of the secretary general's report states:

> It should be noted that with a single exception no staff member has ever been indicted or charged in any court with espionage or any other subversive activity. In one case a staff member—not of United States nationality—was convicted of espionage in the United States and left the country. The espionage in no way related to the staff member's functions as a United Nations official. In a further case a staff member—also not of United States nationality—was terminated while on home leave after the United States government said he had attempted espionage.

What then are we to believe, the unsupported testimony of the grand jury which has been accepted as truth by so many or the facts which are given to us by the secretary general himself? Lest there be a feeling that this attack does not affect us as Canadians I may say that feeling is not shared in other quarters and in other nations. The London *Times* on December 2, 1952, in commenting upon the jurists' report which I shall deal with later, in part said:

> It may well not be intended now to pass every international civil servant through the familiar searching sieve of motives, thoughts and associations, as well as deeds, but the menace is there.

As far as I am concerned and as a Canadian, I see this menace in some of these alleged loyalty investigations and I shall be very interested in knowing what stand our government will take if by any unhappy chance a Canadian is ever accused of subversive activity in the United Nations. As far as loyalty tests go, let me quote from a book "The Fear of Freedom", by Francis Biddle, one-time United States attorney general. Mr. Biddle states:

> The vice of the federal loyalty program inheres in its departure from a basic concept of our laws and constitution that persons should be penalized for their conduct, not for their beliefs, and not for the acts of those with whom they associate.

We in Canada unanimously reject that vice in determining guilt, for thought control is no part of our democratic process. Yet, individuals today are being dismissed because the United States government, without submitting proof, considers them to be subversive. I have here a list of some eleven people and this is the headline in the Winnipeg *Free Press* "Eleven Communists in UN Pay, U.S. Charges". The article states in part:

> The eleven were named in a memorandum made public Thursday over objections of John Hickerson, assistant secretary of state, who cautioned that the state department could have erred by wrongfully naming some persons or by failing to name some who should be named. He emphasized that none of the adverse reports was based on sworn testimony, and that those named had been given no hearings.

So, because of unsupported testimony, without giving people a chance to defend themselves, we immediately destroy what they depend upon most in this world, their reputation. I am not prepared, because of hearsay, to condemn someone; nor am I prepared to condemn without proof. I think all of us believe that that will not be the standard of our own government, but the unhappy fact is that today the United States is insisting that its national standards shall be carried into the United Nations. There can be no greater danger than to approve of this concept that national standards will decide the fitness of the employees of this organization. I reject that concept completely out of hand, and for a good reason. It was Mr. Justice Black who said that individual freedom and governmental thought probing cannot live together. To us, individual freedom is paramount and that is why we reject these standards.

It is conceivable however that the secretary general, himself under the heaviest influence and pressure, may have accepted them. On several occasions the secretary general has complained that the information which has been given him by the state department is too slight or too scanty to merit the dismissal of an employee. Yet employees have been dismissed. The secretary general states that the only words he has been given are these cryptic words by the state department such as "reject"; "questionable"; and "incomplete". On the basis of these words he has to make up his mind whether or not he defers to the wishes of the United States government. Time after time the secretary general has dismissed employees. The unhappy thing is that when these dismissals were appealed to the administrative tribunal, the highest body of appeal within the United Nations, time after time the tribunal has disagreed with the secretary general and said that there was not sufficient information to warrant the dismissal. However, the secretary general is supreme when it comes to the staff, and he has insisted on his right to dismiss the employee.

The secretary general has had to pay the employees large sums in indemnity for wrongful dismissal. It would be interesting indeed to find out how much has been paid in the way of indemnity for such dismissals. I am not unduly surprised to find that Mr. Lie would like to see the administrative tribunal abolished. A new advisory group has been set up and this may be the precursor to the abolition of the tribunal. But it also

is only advisory. I do not know what its terms of reference are, and I doubt if anybody does. I know that there are two members of this advisory board who are well known to Canadians. The first one is Ralph Bunche and the other is L. W. Brockington. Men such as these, nurtured in our democratic processes, are going to insist that there be evidence before the secretary general dismisses anybody. But if history is a criterion, and I hope in this case it is not, that evidence will not be forthcoming. This advisory group headed by Mr. Brockington, therefore, will be faced with complete stultification. If so, in the near future one can foretell the resignation of the chairman.

The board is going to be faced not only with that problem but with what is called the problem of the host country. Let me say here and now that I am not prepared to concede rights to a host country which are not applicable to every other member nation of the United Nations. Take our own position, for instance. We are a host country to one international organization, the international civil aviation organization in Montreal. Not only are we the hosts, but to some substantial extent we subsidize it. Therefore we could say that, as host country, we ought to have some substantial say in the matter of personnel. On the assumption that the employees are doing their duty as we expect them to do, I wonder what this house would say if it knew that the government had attempted to secure the dismissal of employees in ICAO because the government did not like what they were thinking. I am certain that the row in this house would go beyond all the bounds of propriety.

Yet we are presented with the same argument in the United States. The United States now foots the greatest part of the UN bill, and it is said that we should therefore accede to their desires. That is not an argument which I, for one, am prepared to accept. I have read that a United States senator demanded that what he considered to be subversive elements in the United Nations should be dismissed immediately or the United States would have to consider very carefully whether or not it would continue its large financial appropriation for the purposes of that organization. That, Mr. Speaker, was something too close to blackmail, and I do not like that sort of blackmail. What is going to happen in the United States if the government of that country decides a certain employee is subversive and the government is not prepared to submit evidence to the secretary general, who then states that the employee will not be dismissed?

Here we are faced with the problem as it exists today. I do not know the answer. Possibly the UN could create some new sort of committee to act as intermediary between the secretary general and the state department, a committee which would be supreme and which would finally make the decision on whatever case is presented. Yet I insist that such a decision must be within the terms of the charter, and must be such that no one nation can have the right to interfere with the secretariat itself.

Now, I said earlier that employees had been wrongfully dismissed and their co-workers on the United Nations staff knew that they had been wrongfully dismissed. The latter, therefore, decided to contribute toward a fund for the legal defence of their colleagues. The house might be interested in knowing how this fund was raised, because it was done anonymously. The secretariat of the United Nations did not dare publish a list of contributors, and I doubt if anybody knows who the contributors are. An envelope, with a mimeographed enclosure, was given to every member of the staff. They were asked to contribute, without signing their names and certainly not by cheque, a certain sum of money for the defence of their colleagues. To make sure that none could be accused in this activity all the envelopes had to be returned. When such a situation occurs, I state there is a reign of fear in the secretariat of the United Nations. It is a situation which has to be rectified.

Now, in the midst of this disturbance and conflict, the secretary general decided to appoint three lawyers to answer certain questions. These three lawyers were popularly known as jurists. Again, if I can refer to the London *Times*, I notice that it scrupulously eschews the use of the word "jurist", and refers to them as lawyers. Nevertheless, I shall defer to the common usage. But, these jurists did this job in about two weeks. In that brief time they resolved questions which had been perplexing other people for months. Their haste, of course, may have been their undoing, because while undoubtedly much of what they say is laudable and there is much with which I can agree, nevertheless, there are some parts of this report which are not acceptable under any circumstances whatever.

The secretary general asked these jurists to deal with the position of United States nationals in the United Nations secretariat. On page 5 of the report the jurists state:

> Although your questions relate in terms specifically to United States nationals who are also members of your staff, we have found it impracticable to deal with that subject without taking into account also the position of members of your staff of other nationalities who are resident in the United States . . .

This report, then, covers all members of the secretariat in the United States. On page 19 of their report the jurists proceed to give some advice. I am going to read some of the worst of it, but perhaps in some ways the most important. They say:

> In exercising his responsibility for the selection and retention of staff the secretary general should regard it as of the first importance to refrain from engaging or to remove from the staff any person whom he has reasonable grounds for believing to be engaged or to have been engaged, or to be likely to be engaged in any activities regarded as disloyal by the host country.

Let us consider those last words, and I am reading the original report, "activities regarded as disloyal by the host country." In what sort of position would that place a Canadian as far as the United States is concerned? What about a Frenchman or a Belgian or a Norwegian? Surely their loyalties are to their own countries. But we are told that this document deals with all members. If they were loyal to their own countries, automatically they had to be disloyal to the host country. This was nonsense and the phrase was corrected by the three jurists in a corrigendum which was issued later and which read:

> Replace the words "any activities regarded as disloyal by the host country" by the words: "any subversive activities against the host country."

Here was the penalty of haste. Let us consider another aspect of this matter. We have men alleged to be international jurists who are setting out terms which govern members of the secretariat of the United Nations. They ask for the dismissal of a person likely to be engaged in subversive activities. But how can Mr. Lie forecast the future? The secretary general is supposed to be a sort of soothsayer; he is supposed to know what is going to happen a couple of years from now. What sort of absurdity is that in terms of law?

Then the jurists go on to suggest that the secretary general should automatically dismiss any employee of the United Nations who pleads the fifth amendment before a United States committee. The fifth amendment to the United States constitution was designed by its framers to be a lamp post to guide the innocent, but today it is a lamp post on which to hang the innocent. That is what the jurists suggest we do.

An individual pleading the fifth amendment before a United States committee such as I have described may do so because of the fear that he may condemn himself out of his own mouth and be subjected to some further criminal action. I believe that there are members of the secretariat who have pleaded the fifth amendment before these committees for the good reason that they felt that as they were under oath they would be guilty of perjury if they made an error. The questions which were asked are very searching. They went back a long time, even a decade. I doubt if there is any hon. member here who can say what he was doing on June 5, 1942, or with whom he had lunch on that day. Yet if the witness makes a mistake and does not through error, tell the truth, he is guilty of perjury and subject to the full penalties of the law.

There is another aspect to this matter. Some employees found that no matter how guiltless they have been, they were being asked questions, not concerning themselves but concerning their friends, their acquaintances and their colleagues. They had to answer those questions and before they knew what was happening they had woven a web of circumstantial evidence around their own friends. The situation became intolerable. One of the results of such wretched investigations was the death of a distinguished servant of the United Nations, Mr. Abraham Feller. As far as we are concerned, this report cannot and must not be accepted without the most drastic amendment.

There was a letter in the December issue of the *Canadian Bar Review* signed by W. Friedmann, J. B. Milner and F. E. LaBrie, who are on the teaching staff of the school of law of the University of Toronto, and also by F. R. Scott, of the faculty of law of McGill university. I should like to quote the closing part of this letter which is headed "Loyalty Tests and the United Nations Secretariat." It reads:

> The recommendations of the commission, particularly because of the proposed dismissal from employment on grounds of refusal to testify before investigating bodies, have increased the sense of insecurity in the United Nations secretariat. At a time when the United Nations and other international institutions are undergoing severe political testing, the commission's opinion must in all fairness be considered a surprisingly unsatisfactory treatment of the complex problems presented to it. The statute of the International Court of Justice describes as a source of law the "general principles of law recognized among civilized nations". A similar test should determine United Nations standards, of substance as well as procedure. The Universal Declaration of Human Rights, approved by the General Assembly in December 1948 by a vote of 48 (including the United States) to 0, with 8 abstentions, also lays down standards which ought at least to be applied to the United Nations itself. The United Nations must work out its own code. Conviction by a national court for such major and generally recognized offences as treason, sedition or the betrayal of official secrets should justify dismissal from the United Nations, but the adoption, in any one country, of special offences, and investigation procedures that fall short of established standards of fairness, cannot be regarded as part of generally recognized principles,

and therefore as a proper standard for the United Nations. Such national practices should not therefore by themselves establish good cause for dismissal.

Within a few days our delegation is going back to the United Nations charged with the high responsibility of maintaining intact the charter of that organization and the inviolable right of the individual in a democracy. We shall watch it with anxiety and also with the hope that it will fulfil these objectives.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I do not propose to follow my hon. friend in detail, although I realize some of the difficulties incident to the problem that he has brought before the house. I am a believer in the preservation of those things which constitute our freedom. I think all are agreed that we should not allow the United Nations to be weakened by those who would by innuendo and slander destroy the reputation of innocent persons within the secretariat. On the other hand there is the issue to be faced that the security of the state must be assured at all times.

I for one believe that a host country should not adopt measures that would destroy fundamental freedoms; nonetheless, while maintaining the freedoms unimpaired the democracies have the right to demand that diplomatic immunities shall not be utilized as a means to undermine the host state and to provide, for those who practise treason, protection that ought not to be assured to them. Freedom with security must be maintained. I know that we of the British tradition will follow the lead given in the House of Commons in the United Kingdom in the last few days by Sir Douglas Maxwell Fyfe, who, in the course of an address dealing with the serious situation that exists by reason of the changed conditions of modern times and the use by the communists of propaganda to undermine from within the states in which they are living, took his stand for freedom and the preservation of fundamental freedom without which democracy cannot exist.

We have to guard against a very dangerous perversity of human nature, which is that mankind often imitates the thing it hates in order to defeat the subject of its hatred. I shall say no more at this time than that in these days there are tremendous responsibilities on the state to preserve the state from the termites who would destroy it, while at the same time preserving the fundamental freedoms without which democracy cannot survive.

On this occasion I intend to make some general observations in connection with the United Nations assembly, which I had the honour to attend, and to place before the house some suggestions that have come to me as a result of that privilege and opportunity. It is a privilege, because one sees and hears at first hand what is going on internationally; and it also gives members of the opposition the right and firsthand knowledge to criticize and to offer alternative suggestions without which a discussion on foreign affairs would be as shadowy as it would be meaningless.

As the Secretary of State for External Affairs (Mr. Pearson) has said, the international situation is a worrying one. Toynbee has described the age in which we live as "a time of troubles." The minister was very optimistic in his word picture of the world situation, and went a long way farther along the road of optimism than did Mr. Churchill a few short days ago upon his return from the United States. The Soviet pendulum seems to swing. Occasionally it looks like impending war, but when resistance and unity are revealed among the democratic nations, the pendulum seems to swing back, and for a time peace seems imminent. At such time for the benefit of the syndicated press Stalin gives an interview indicative of a desire and wish for world peace. But as Tito has said—and he knows the mind of the Soviet—whatever the changed processes may be, the Soviet purpose is still world domination. To use his warning words, "there may be a change in tactics but there is never a basic change in substance."

The reading of history provides lessons for today. Within the last year there was uncovered by the archaeologists of Princeton university in Athens a marble slab which had been carved in 336 B.C., upon which there was an inscription forbidding the establishment of a dictatorship in Athens, and prescribing heavy penalties for anyone who aided or assisted the dictator. And yet within two years after that, Alexander the Great had destroyed the democratic and independent existence of the Athenian republic and the other Greek republics because they had not learned the lesson of unity. They divided into separate units, each of them going its own way and as a result individually fell a prey to dictatorship. That message is a message for today. The free states of 1953 will survive if they stand together and, in uniting for collective security, to use the modern expression, resist the advance of communist dictatorship.

There will always be some who will proclaim the gospel of fear. Whatever stand is taken, dire destruction will follow. We heard the fearful when a stand was taken in Korea

originally in 1950. We hear the fearful again in the situation created by the deneutralization policy of the United States respecting Formosa. We had it when the nations decided to rearm western Germany, or were contemplating steps in that regard. We had it when NATO was set up. On every occasion when the United Nations or the democratic nations have taken a stand, we have been faced with the fear of some that the stand being taken would be provocative to the U.S.S.R. and would lead to war.

Subsequent events have not established the truth of the prophecies that were made by those who fear. That does not mean that I advocate, or that anyone else within the democratic nations advocates, provocative measures; but it does mean that the events of the last few years have clearly established that in strength and in unity there is the only hope for mankind.

An event of the last few days in Europe has been a particularly hopeful one. At ten o'clock in the morning of February 10 an engine pulling 27 cars of German coke crossed the boundary into France without stopping for customs inspection. It was not an operation of smugglers; it was the beginning of a new era in trade in coal, iron and steel in six nations in Europe, some of them hereditary enemies, joined together in a common unity brought about through the dangers incident to the presence of the spectre of communism. That step, Mr. Speaker, no one would have looked forward to in 1945, a step that may ultimately lead to the federation of Europe which was dreamed of during the days of the Council of Vienna. It reveals an unheard of unity in Europe.

These periodic debates on external affairs are very helpful. They clarify the atmosphere. These debates have their value when we find taking part in them men such as the Secretary of State for External Affairs (Mr. Pearson), who has been engaged for years in international affairs; men of the reputation, capacity and experience of the hon. member for Peel (Mr. Graydon), whose training in international affairs goes back to 1945; men like the hon. member for Cochrane (Mr. Bradette), who has spoken with calm authority on this and on other occasions; men like the hon. member for Eglinton (Mr. Fleming) who, following his recent visit to Europe, brings vividly to parliament what he learned there; and I could continue the list.

Now a word on this debate. I was somewhat disappointed not with the quality of language used by the minister in his review, but that in his remarks on this occasion and those of a few days ago, on February 5, there was no direct information concerning Canada's stand on the question of the deneutralization of Formosa.

A reading of his speech of February 5 reveals qualified acceptance of the new policy of the United States with a veto in the background. There is in his remarks nothing to indicate the stand being taken by the government of Canada on this problem. That is not enough in these days when international problems, with their widespread repercussions, are before us. The uncertainty of the stand to be taken by Canada, and being taken at this time, is not in keeping with Canada's responsibility.

Yesterday the hon. member for Peel made reference in allegorical form to the speech of the minister. I refer to it directly and say that I think it lacked substance when it dealt with the problem of a deneutralized Formosa. In Canada, situated as we are as interpreters between the United States of America and members of the commonwealth, we have to be careful in what we say. We have to refrain from thoughtless criticism of the United States, whose sacrifices and service in Korea for the preservation of the principles for which the United Nations stand are immeasurably greater than the combined activities of the other members of the United Nations. But surely we have a right to more information than that found at page 1639 of *Hansard,* where the minister said:

> The government will follow developments with the closest possible attention and take appropriate action to make our views known if and when the occasion so warrants.

That, I thought, was a weakness in the minister's speech. Great Britain has taken her stand. I am not advocating that stand; but at least we know what the stand is. Canada is in a dual position in that not only are we adjacent to the United States, but the minister now occupies the position of president of the United Nations, a position incidentally equivalent to that occupied by Mr. Dandurand in 1925 in the league of nations.

Then the minister added these words:

> Meanwhile I think it would be unwise and premature to jump to dogmatic or critical conclusions concerning the step taken by the United States government, and announced in a statement by President Eisenhower which contained so much that was wise and heartening to us all.

That statement is a masterpiece of circumlocution. It starts off by saying that we are not going to jump to any dogmatic or critical conclusions regarding the policy as to Formosa, but we are heartened by some of the other statements made by the president. I think we deserve a clearer announcement of policy than that.

The situation is a difficult one, and I realize it. All the United Nations are in Korea. All accepted responsibilities when President Truman gave the lead. What is to be done there? What attitude is to be taken? It has been said that there are only three possible attitudes: Fight it out; stick it out; or get out. Yesterday the hon. member for Vancouver-Quadra (Mr. Green) added another alternative to that group.

Fight it out? No, because that is what we are endeavouring to avoid. Stick it out? There is no other course consistent with the preservation of the United Nations for world peace. Get out? That is something beyond the thought of any responsible person in the United Nations. But I do think those three alternatives place the problem before parliament. I realize the tremendous responsibilities resting upon the minister; but I do contend we have a right to know what Canada's position is. Why should not we in Canada know, when people in the United States and in Great Britain know the stand of their governments on this problem? We cannot adopt a mere middle course.

It is of interest that hon. members of the C.C.F. criticize the stand now being taken by the United States. As I recall it, three years ago they criticized the stand taken when Formosa was neutralized. The minister has a responsibility to place this matter before the House of Commons in clear outline. Shall it be a policy that will be merely one of stalemate as the years roll by and the casualties increase? That is one side of the coin. The other is the fearful possibility that any action we take or that is taken by any of the nations within the United Nations may have the result of spreading war not only throughout Asia but throughout the world.

I agree with the minister that this is no time for loose talk; it is no time for cavilling criticism of the United Nations. It is time for unity within the United Nations. In order to have strongly built the foundations upon which the United Nations stand, the world needs a foundation in the hearts and souls of people everywhere. We can have this only when democratic peoples have some conception of the basis for the policies to be taken.

In order to maintain the foundations of the United Nations, and to secure that support, democratic statesmen must place before their people in clear and unequivocal outline something of the stand that the governments of their respective nations intend to take. The great danger, as communism moves across the world, is that our people shall become wearied in well-doing, believing that all is well and that the shadow of communism will never become a spectre of world destruction.

Last evening in an address over United States radio systems the secretary of state of the United States, Mr. Dulles, drew a dark and fearful picture. His claim was that unless the European nations move promptly toward unity they will risk peril from which it will be beyond American power or world power to save them. He pointed out the need of unity between France and West Germany on the problem of laying the foundations for a continental army. He stated that the only hope for Europe is the European defence community plan which requires the unification of the military forces of France, West Germany, Italy, Belgium, The Netherlands and Luxembourg, and he indicated that unless this unity is achieved the North Atlantic Treaty Organization will have the shadow of power but not the substance to meet the threat.

How terrible the problem is. France, realizing that twice in one generation she has been attacked, naturally fears the restoration of a strong German national army. On the other hand, without that army Europe faces communist domination too awful to contemplate. I think Canada could give a lead in this regard by asking the nations who are signatories of this agreement to give France the assurance that Canada will join with Britain in supporting the extension of the NATO charter from 20 years to 50 years so that it will coincide with the period of the European defence treaty. Building hope in Europe is a contribution all in America can make. Show France that we believe in the extension of NATO to the end that if an army, composed in greater or lesser measure of West German forces, is mobilized as part of the European defence army, the principles of NATO will be maintained during the entire period of the European defence period.

I want to come now to the question of the United Nations. In 1945 I had the privilege of being in San Francisco and seeing laid there the foundations of the United Nations, represented as they are today by the doors to the new assembly building which were presented by Canada and depicting truth and brotherhood, justice and peace. In 1945 the minister was one of the architects of that charter, as was the hon. member for Peel (Mr. Graydon). They could not contemplate then the days that lay ahead with communism, operating through its cultists of confusion, endeavouring to undermine and destroy many of the purposes for which the United Nations was constituted.

In those days the delegation was composed of representatives of the various parties in the house. Opposition members now are in the position of observers. I think the change was a good and necessary one. I think Canada has given a lead to the members of the United Nations in sending outstanding representatives of the cabinet to the meetings of the general assembly. As everyone knows, Canada has as two of its representatives the Secretary of State for External Affairs (Mr. Pearson), and in the present assembly the Minister of National Health and Welfare (Mr. Martin). Most of the nations, however, are represented by delegates who have not the authority that ministerial rank would give them. Britain has representatives of ministerial rank, as has Canada. I think it would be a great advantage for the United Nations if other nations within the organization would follow the lead given by these two countries.

I am going to review some of the changes that have taken place since the charter was drawn up in 1945 because, as was said yesterday by the hon. member for Peel, with the time coming shortly when the charter is to be subject to review, consideration should be given to recommendations for changes in the charter by the external affairs committee of this house. There is one thing Canada should do, which I think is long overdue, and that is to realize, as the Minister of National Health and Welfare does, the abiding need of the preservation of our fundamental freedoms. Long since there should have been a submission to parliament of the international declaration of human freedoms for approval by parliament and adoption by Canada.

I want to say a personal word about the two ministers. As one who occupied a very ordinary position, I can say that as a result of their kindness and consideration we co-operated in a manner that I will never forget. There was no concealment of information. The observers were allowed to know what was going on. Every possible consideration was shown, thereby assuring an amicable spirit in keeping with the best traditions of Canadian parliamentary life. The Minister of National Health and Welfare made a speech with respect to human rights on the 17th of December in which he said this:

> I do not believe it necessary for me to stress here that the question of human rights has become one of primary interest for the United Nations.

He went on to say:

> The question of human rights, after all, is the cornerstone of our charter and has been proclaimed all over the world through the universal declaration of human rights.

I would suggest to him that he have the government submit that declaration, now four years overdue, to the parliament of Canada. There can be no justification for the failure of the government to do that. Some might argue that some of the provisions have to do with property and civil rights, but the declaration has no juridical value. It is in effect an embodiment of principles and ideals and it ought to be brought before parliament, for Canada is one of the few nations that, while accepting, proclaiming and practising human freedoms, have failed to show the members of the United Nations that its parliament supports them.

May I here interpolate and say that one of the most interesting events that occurred while I was there was to hear Vishinsky making one of his harangues. I was there as a visitor two years ago when Dr. Vladimir Clementis made his speech and in towering language described the wonders of communism. I was there the day two years later when Vishinsky delivered almost the same speech, and on that very day Clementis was dying on the gallows because he was believed to harbour improper thoughts on the subject of Soviet domination. I will never forget that speech by Vishinsky. I have never known anyone who gave his own autobiography so accurately as he did on that occasion when he was describing, with malicious deviation from the truth, the cruelties which he alleged were perpetrated on the communist prisoners by the United Nations. He said this:

> I can hear them shooting down the communists as mad dogs. I see the beating and I hear the shouting. I see the tattooing and I hear that shooting. I hear the rattle of the machine guns and the groans of the dying under their hangmen guards. I see the searchlights, and then I see the end. With their spirits entirely broken they will come quaking with the fear that will have been implanted in them in the course of that procedure; they will be utterly incapable either of asking any questions or . . .

—answering any.

It was a portrait of Vishinsky himself, the author, the perpetrator of the purge of 1938. It was indeed the epitome, those sordid and untruthful words, of all of the tragedy, horror and fearful intensity of communism in practice. That very day the foreign minister of Czechoslovakia went to the gallows, and if I may paraphrase the immortal words of Grey:

> The paths of communist glory lead but to the hangman's noose.

Yes, we saw communism that day as it was, from one who knew.

Mr. Speaker, you may ask me what changes in the revision I might suggest? I believe the United Nations assembly is facing

its greatest test today, undermined by those who are its critics. It will meet that challenge if the representatives to the United Nations from its various members give their people a picture of its usefulness. The security council has been emasculated by 55 Soviet vetoes since 1945, but I doubt if the veto power will be changed in any revision that will take place. But the events of the last few years have established and added another veto, not under the charter but a veto of practice and procedure. That veto is in the assembly which, under section 18 of the charter, requires a majority of the members to bring matters before the assembly, and a two-thirds majority in the case of serious matters advanced. In the last few years the assembly is being weakened by small nations joining together and thereby forcing action in placing on the agenda, for consideration by the assembly, matters that have no place on the agenda and are not deserving of consideration, such as those in which the processes of diplomacy have not been exhausted or in respect of which the peace of the world has not been threatened.

I would suggest that it might be possible—and I realize the conditions inherent in the attitude of opposition to change taken by the U.S.S.R. and puppet states that are members—that some tribunal should be set up to determine whether or not any question that is brought up for consideration should be placed on the agenda of the assembly. Unless that is done more and more the assembly will sit for longer and longer periods dealing with matters which have no place on the agenda; matters that were not contemplated by the charter and which have the effect of weakening the power, authority and prestige of the institution upon which the peace of the world depends.

Nations are beginning to take a definite attitude about these matters that are brought before the assembly by the force of the unity of these small nations. They are contending that they are not bound by assembly decisions.

France refused to attend meetings of the assembly when the Tunisian matter was before it. South Africa has declared that under no circumstances will she in any way be bound by the decision of the assembly in connection with apartheid, nor will she recognize any commission set up by the United Nations to be sent to investigate the problem.

Mr. Speaker, whenever the nations within the United Nations refuse to recognize the authority of the acts or decisions of the assembly, a destructive influence follows that will literally weaken the institution itself.

There is another effect. The bringing up of these problems of colonialism and nationalism have the effect of providing the U.S.S.R. and its puppets with a trumpet stand for world-wide propaganda designed to separate, designed to unnerve the determination of the members of the United Nations, to arouse antagonism and create sores of hatred all over the world. When the question of revision of the charter is discussed, these are some of the matters that deserve consideration.

I could go on and refer to various other matters but on this occasion I am not going to do so. What I have in mind is simply that in the revision if it is at all possible these influences and tendencies that are causing fissures to appear in the structure of the United Nations must be removed; otherwise the United Nations, with a very proud record to date in the settlement of international disputes by bringing together nations that are in disagreement and by affording opportunity for negotiation, will be weakened in its power for good and will lose much of the prestige it now possesses.

As I listened to the delegates of these various members of the United Nations I thought of the changed world that we are passing through. Colonialism is over; nationalism is on the march everywhere in the world. Above everything else members of the coloured races are demanding that we of the democratic nations no longer practise discrimination against them. How few realize that in the commonwealth five out of every six are of a coloured race. The commonwealth permits of this because of justice and the practice of non-discrimination. The United Nations with its great crusade on behalf of the preservation of peace will succeed if communism is denied its mission of aggression everywhere in the world.

I conclude, Mr. Speaker, by saying this. The United Nations must be supported as never before. Undermining it by criticism that is unfounded will destroy that only agency that can preserve peace. Human freedoms everywhere must be upheld and maintained. Discrimination against colour or race, wherever it exists, must be ended, and the great agencies of the United Nations that would help the unfortunate everywhere in the world must be supported. Poverty, if not banished, is a fertile field for the incubation of communism.

While these ideals are being achieved we must, at all costs, regardless of where we

sit in this house, uphold whatever government is in power in maintaining our defences and in assuring unity between the various nations within the United Nations, without which the future of mankind will be dark and fearful.

Mr. G. M. Murray (Cariboo): It is a matter of pride to all Canadians that our representation at the United Nations has been of such an able and outstanding character. The Secretary of State for External Affairs (Mr. Pearson) is a model of patience, and I think that in dealing with the philosophers from Asia and Europe he has been able to remain calm and not lose patience when interpreting the wish of the Canadian people for peace in the world—not at any cost, but that certainly is our great objective. The world will long remember the work of the Prime Minister (Mr. St. Laurent) of this country and his able minister of external affairs in dealing with international problems at a critical time in the history of the world.

It is fitting that I should have a few words to say here this afternoon, because the riding which I represent is closer in air miles to the scene of conflict than possibly any other riding in Canada. We see airplanes leaving Fort Nelson and other airports daily. We realize we are only a matter of hours from the shores of Asia. In British Columbia we realize that we are in a great era of Pacific development. The Pacific ocean means more to us than it does to Canadians who are farther inland. We are more deeply touched by the news which comes to us from time to time from across the Pacific.

I am one of those who believe that in international affairs we must do a good job of the work at home. I feel there are certain things that we can do in the northwest which would be of great military advantage, and would also be of advantage to the civilan population of this dominion. I believe that the extension of highways and railways into these fertile valleys is one such thing. I believe that the placing of new populations in these valleys on the northwestern frontier of this Canada of ours would make a contribution to the military defence of this continent.

North of Edmonton at the present time there is a sort of Maginot line because of the lack of adequate transportation. In the event of an attack upon this continent we would be sadly handicapped because of the lack of railway communication with the territory of Alaska, which is the great defence perimeter on this North American continent. In saying that I am only repeating what I have said before in this house, and repeating the words of outstanding military men, particularly in the United States. I believe that if the record were examined you would find that General Eisenhower himself, prior to taking over his political responsibilities in the United States, was one of those who advocated the construction of a railway to Alaska for the defence of this continent.

I say, therefore, that one way, and not too expensive a way, of helping out today would be to move people into these valleys. We have heard of the catastrophe in Holland. It is unfortunate that a disaster of that kind should occur before we become impressed with our opportunity and also the need of putting people from these congested countries into the vacant valleys in the northwestern part of this land.

So far as the Korean situation is concerned, I may say that I have listened carefully to the speeches and the various opinions that have been expressed. I was bound to look up a little verse written by James Russell Lowell about a hundred years ago in the Bigelow Papers, which pretty well sums up what a lot of statesmen and public men are saying today about Korea. With your permission, Mr. Speaker, I shall quote this verse:

> Ez for war, I go agin it,—
> I mean to say, I kind o' du,
> Thet is, I mean, that bein' in it,
> The best way was to see it thru;
> Not but whut abstract war is horrid
> I sign to that with all my heart,—
> But cilyzation does get forrid,—
> Sometimes upon a powder cart.

Korea has been a school for the training of warriors. There is no doubt about that. I often wonder if some of our Chinese friends are not obtaining education in the arts of modern war at the expense of some of the western nations. I am afraid that the nationalist army, when it is released and allowed to leave Formosa for the mainland of China, will simply melt into the great Chinese army.

I do not set myself up as an expert on these matters, but having had dealings with the Chinese, I see a danger in the acceptance of the opinion of the hon. member for Peace River (Mr. Low) that we should blockade the Chinese coast. I think the proposition of blockading the Chinese coast is something that we should not consider at this time. I believe that the containment of the war in Korea has been a tremendous achievement.

The Acting Speaker (Mr. Robinson): Order. It being five o'clock, the house must proceed to the consideration of private and public bills.

PRIVATE BILL

MERCANTILE BANK OF CANADA

The house in committee on Bill No. 111, to incorporate the Mercantile Bank of Canada—Mr. Macnaughton—Mr. Robinson in the chair.

Sections 1 to 5 inclusive agreed to.

On the preamble.

Mr. Macdonnell (Greenwood): I do not think it is on the record, but I believe this bill has been reported by the banking and commerce committee.

Mr. Abbott: That is correct.

The Deputy Chairman: This bill has been reported by the committee on banking and commerce.

Preamble agreed to.

Bill reported.

Mr. Macnaughton moved the third reading of the bill.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, this is the first new bank charter which has been granted for some time by parliament, and perhaps it is appropriate that as the minister responsible for the supervision of the Canadian banking system I should say just a word before third reading is given.

We have a banking system in Canada of which I think all Canadians can be justifiably proud. I feel sure that I am voicing the views of most if not all members of the house when I say that the granting of a charter to this new bank does not imply any criticism of our existing banking facilities. The granting of bank charters is the particular responsibility of parliament. I am satisfied that the other place and the committee of the Commons have considered fully the purposes for which this bank is to be created and are satisfied that it will add to rather than subtract from the banking services of Canada.

I am now voicing my personal views, but I think parliament should consider each case in which application is made for a charter for a new bank on its merits, and should decide whether or not the proposed institution is one which will serve the interests of the Canadian public. I take it for granted that in this case parliament is satisfied that this new institution will serve such interests. While this is a private bill and the government as such should not take a position one way or the other, I think most of us will be gratified that the new institution being created is sponsored by citizens of a country with which Canada has had long and most friendly relations.

Mercantile Bank of Canada

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, the point with which the minister has dealt, namely, the basis on which the incorporation of new banks should be considered, was discussed in the committee. I think those who were present there will welcome what the minister has said on that point.

Motion agreed to and bill read the third time and passed.

The Acting Speaker (Mr. Robinson): The business under private and public bills having been concluded, the house will revert to the business under consideration at five o'clock.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed consideration of the motion of Mr. Pearson:

That items Nos. 85 to 104 inclusive of the main estimates, 1953-54, 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.

Mr. G. M. Murray (Cariboo): Mr. Speaker, we Canadians have the opportunity to establish ourselves in the hearts of the countries of Asia, and this is well illustrated by the Colombo plan. We are a young country and our hands are clean so far as international politics are concerned. We have done nothing in China other than help the Chinese, and so it is in all the countries of Asia.

The efforts of the Christian missions of Canada in Asia makes the brightest chapter in the history of that ancient continent. In Formosa, of which we have heard so much today, the pioneer missionary during the last century was a Canadian from the county of Oxford, Dr. G. L. MacKay. He built and equipped a college there, which he called Oxford College after the county of Oxford, to train medical men, nurses and others to minister to the health and welfare of those people. He was one of the many Canadians who have operated in the mission field in the Far East.

I suggest to men who are wealthier than I that they consider endowing universities in Canada so that studies by Asiatic pupils in Canada may be extended. Funds might also be set aside to make it possible for Canadian young men and women to visit Asiatic lands and study at first hand the languages and customs, conditions and cultures of those peoples. It is not to the credit of Canada that we had to leave the task of visiting Asia and going about among the

people there in 1952 to such men as a certain communist leader from Toronto. I feel that those who have a positive contribution to make, such as students, leaders, political personalities and others, might well forgo the field of Europe for a while and make a close study of conditions on the other side of the Pacific.

What has happened in the Far East is that the native people have learned too quickly from the white man. China has her broadcasting systems today and television is operating in Japan. Radio broadcasting has been operating in continental China for the last 30 years. China has a network of airfields. Her civilian aviation was growing when world war II interfered. Chinese aviators are keen flyers, as many of you know. In the world of aviation they have proved their great ability.

China has been steadily developing her industries and is increasing her manufactures of iron and steel products, textiles, chemicals and ships. Japan planned to be her manufacturing centre and to exploit her, but the Chinese are rapidly becoming skilled in all lines of manufacture. That country uses Russian machine guns, but makes a lot of her own. China needs mineral development, better roads, more docks and wharves, hydroelectric services and railways. It is said that there are 10,000 cities in China today that need public utilities, including hydroelectric service. She needs grain elevators, ships and locomotives.

Mr. Browne (St. John's West): She got some ships.

Mr. Murray (Cariboo): And she needs the friendly help of the nations of the rest of the world. Her position with regard to Russia is that of a nation in great extremity, and she is compelled to call upon Russia. If we were to blockade the ports of China we would weld that country into the structure of the Soviet empire. She would be compelled to do that because by shutting her out from ocean trading we would force her to trade within her own country, which has 3,000 miles or more of frontier with Soviet Russia, just as we have a very large boundary line with the United States. If Canada were blockaded on the Atlantic and Pacific we would be compelled to turn to the nearest nation to make purchases and carry on our activities. Therefore if we were so rash as to blockade the ports of China we would undoubtedly contribute to an international situation which would not be cleared up in our time.

History itself shows the futility of trying to do anything about blockading the ports of China. Since 1842 Britain and her associates have had control of certain ports in China. They had extraterritorial rights in all the great cities. They had virtual control of all the trade that went into China from the Pacific ocean; yet at the end of it all we had the humiliating experience of being drummed out of Shanghai, Canton, Hanoi and other great ports and were forced to give way so that any effort at coercion or to rule by force along the coast of China I am afraid will not meet with any greater success in this century than it did in the last.

You who know the Chinese people realize that they are a people with a history reaching back 40 centuries or more. I have read a translation of a book on farming which referred to records of 40 centuries of farming in China. Arnold Toynbee, the historian, says that they will survive any war, any shock. He say that they are a spiritual people, and that if he could return to this earth a good many generations hence he would expect to find the Chinese still placidly going about their affairs. He also mentions one other nation that would probably survive over the next five hundred years, namely Canadians, and particularly the Canadians of the province of Quebec. But he is not so hopeful of other groups. He says the Chinese and the Canadians have their roots deep in the soil and they love their land. They have spiritual values which they have always placed far above mere material things.

I do not propose to go into a long digression upon that ancient empire, with its 500 million and more people, but I would like to take this opportunity to refer to the great work of William Lyon Mackenzie King, who as a young man was sent to Asia by Sir Wilfrid Laurier. It was wise Sir Wilfrid Laurier who dispatched Mr. King to Asia at the turn of the century and instructed him to do all he could to work with delegates of other countries towards the suppression of the international opium traffic. It was a mission crowned with success. The delegates met at Shanghai, Peking and Tokyo, and began an international movement to outlaw opium and the traffic in narcotic drugs of all kinds. In those days Mr. King, almost a beardless boy, who had a talent for observation and inquiry, was exposed, as I say, to the impact of the Far East. I should say his journey was of historic importance, because through the long years of his career we find him appearing and reappearing at the council tables of the nations where the affairs of Asia were seriously discussed.

The United States of America was never a member of the league of nations, but the records show that the U.S.A. supplied almost unlimited funds to assist the league of nations in stamping out the opium traffic, and here again we had Mr. King counselling the leaders of the world. It might well be said that the league of nations justified its existence by the work it carried out with respect to outlawing narcotic drugs, a work in which Russia, China, Japan and India co-operated to the full.

I was going to pay some attention to the trade opportunities which exist on the coast of British Columbia with respect to the development of the Chinese and other Pacific markets, but time does not permit. I would take this opportunity to pay a compliment to the new minister who has been appointed to Japan, an industrialist from the city of Victoria, a former minister of fisheries in this government. I am sure that in his position over there he will do a great deal toward the development of further trade relations between the countries of Asia, despite war and rumours of war, and the west coast of Canada.

The work of the United Nations in saving us from a world-wide conflagration is something we cannot praise too highly. When we think of that country over there with its vast population and its huge armies, we realize that the cost of the revolution which took place within the last ten or fifteen years, the cost of the operation in Korea today, is astounding. The cost of a day's operations there would build great modern hospitals, in half a dozen towns in China. The cost of our own United Nations troops would build an equal number of hospitals. The costs of a single day would clear away slums in that great country where millions of natives live in filth and squalor. It would irrigate thousands of acres of land in Asia, not now being cultivated, to feed their starving populations. It would build dams for hydroelectric development, the development of natural resources. The money used for war would, if turned to peaceful purposes, change the whole face of Asia.

I repeat that some of us feel that we are competent to advise on these new international things. Certainly when one judges by some of the speeches he has heard we have here certain men who have very radical ideas on what should be done. An old philosopher said that China is a rug, the rest of the world but a fringe of the rug. I remind you that China is bigger than Europe; that it has, as I have said, more than 3,000 miles of coast line.

If we were to blockade the ports of China we would also have to blockade the ports of Siberia. What would be the point in blockading the ports of China if the great port of Vladivostok and other places in the north which lead into Soviet Russia were left open? It would take the United States, the Canadian and the British navies combined to enforce the blockade. As I say, we would back Chinese trade into the interior and force them to get in deeper with Russia, in closer harmony with Russia, whose boundary for more than 3,000 miles is common with that of China. A blockade would mean all-out war, and I would object to sending boys from the Peace river to travel over to China to engage in such a war, to take them from peaceful occupations and throw them into the holocaust of an all-out war on the continent of Asia.

There must be some other way, Mr. Speaker, and I think that way is being found by the Secretary of State for External Affairs, by the Prime Minister of this country and by the various leaders who have spoken in this debate, so that somehow, somewhere, we shall appeal to the hearts of these people and win them to the paths of peace.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we of the C.C.F. group agree with those who have said that at this juncture in world affairs the views of the various groups in this house should be stated quite clearly. Hon. members will recognize that that was most certainly done on our behalf yesterday by my colleague the hon. member for Vancouver East (Mr. MacInnis).

Meantime, however, there have been expressions of views by other members and other groups in the house which make it seem necessary to us to give at least some restatement of the definite position taken on our behalf yesterday. In that connection let me say that we find ourselves in agreement with a good deal of what has just been said by the hon. member who has just taken his seat. I shall come in a moment or two to a discussion of some of the points on which he has spoken.

We feel that our fundamental aim in Canadian foreign policy at this time should be to end and not to extend the war in Asia. It is because of that fundamental conviction that we have taken our stand with respect to a number of specific matters.

In our view there is no point in trying to oversimplify the case as some hon. members have done during the course of this debate. From a debating standpoint it may be easy to say, as some members have said, that the west should deal with this situation in the same way the communists are dealing with it. It is very easy to say, as some members are saying, that if we do not blockade the

China coast, that means we are permitting materials of war to reach that country to be used against our troops fighting in Korea. It is very easy to say that because the other side is doing so-and-so it is perfectly logical and justifiable for us to follow the same course.

As I have already indicated, you cannot oversimplify the international situation in that way. There are risks either way. One has to weigh the risks. One has to determine what is the basic aim. And in our view—and we believe the Secretary of State for External Affairs (Mr. Pearson) agrees with us in this—the basic aim at the present time should be to end and not to extend the war in Asia. Through all of this we must make sure that our stand is firmly on the side of freedom; but let us not go along with the kind of mistakes that might involve us in the holocaust of a third world war, and the end of freedom itself.

It is because of that basic belief that it should be our aim at the present time to see the end rather than the extension of the war in Korea, that we are critical of the stand taken by the new administration in the United States. We refer in particular to the order given by President Eisenhower to change the order with respect to the operations of the seventh fleet between Formosa and the mainland of China. And, as I shall show in a few moments, we feel that we should be deeply concerned, lest that first item in the new United States foreign policy in the Far East be followed by other items which could lead us down the path to a third world war.

As I have already said, we believe that the government, indeed the Secretary of State for External Affairs, shares our views in this connection, despite some of the things said in this debate and despite editorials such as the one that appeared a day or so ago in the Ottawa *Journal*. But our quarrel with the minister is that, though you can find in his speech of Wednesday and in his statement of a week ago yesterday the position we believe he takes, you have to hunt for it with a fine-tooth comb. We think he should take a lesson from the hon. member for Cariboo (Mr. Murray), who has just taken his seat, and express his views as well as the views of the government much more clearly than he has done thus far.

A week ago yesterday, as recorded at page 1639 of *Hansard* the minister did say—and he put it a little more strongly then than he did in his speech on Wednesday—

> With respect to the position of the Canadian government, while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has.

That, we suggest, is an implied criticism of the action of President Eisenhower, for that action in our view does confuse the defence of Formosa—indeed it confuses the whole question of the Chinese civil war—with the defence of South Korea, which is our chief concern in that part of the Far East at the present time.

Despite that statement on February 5 which some of us thought might be a prelude to a stronger statement when he made his more extended remarks in the course of this debate, when that time arrived the minister used even more cryptic language. Nevertheless, while I am critical of the minister for not making his statement clearer and more definite, at the same time I give him credit for having said what he did say, and for holding the views which these sentences imply. So I should like to put them on the record again, as they appear in *Hansard* of February 11 at page 1852. This is what was said by the Secretary of State for External Affairs on that occasion:

> As I said a few moments ago the most recent attempt at the United Nations general assembly to end the war in Korea has failed. But the effort to that end must not stop, and I am sure it will not stop. The guiding principle of Canadian policy in Korea is to continue to do everything possible to limit the present hostilities to the Korean peninsula, and to take advantage of any opportunity for an early settlement of these hostilities by peaceful negotiation. It follows from this that our general attitude in the United Nations general assembly, as elsewhere, is to support proposals designed to facilitate an armistice agreement, and to oppose proposals which, in our judgment, would impede such an armistice.

As I have already said, we agree with that statement. We agree with what is implied; but we feel—and in a moment or so I shall develop our reasons for feeling this way—that the minister should have said it much more openly, and that he should have put it in the forefront of his speech, rather than bury it in the middle, as he did.

Then after another paragraph he said this:

> We consider also that the purpose of the United Nations in Korea remains the defeat of aggression there, and does not include intervention in the civil war in China. So long as Chinese troops act as aggressors in Korea they must be opposed and that aggression, if possible, defeated. This does not mean that we who oppose them, by so doing, are committed to the overthrow by force of the government now in effective control of the mainland of China. As we see it we are engaged not in a national war against communist China or in intervening in a Chinese civil war, but as a member of the United Nations in a police action against aggression.

I say again, Mr. Speaker, that we agree with those sentiments. We feel that they

should be made to stand out, that the minister should have put them in more clear-cut language, and that his remarks on behalf of the Canadian people, for whom he speaks in matters of foreign policy, should have been directed clearly to our friend and neighbour, our ally, the great country to the south of us. The reason we are anxious that that be done, despite all the rules and practices of diplomacy, is that we very much fear that if this government, in the name of the Canadian people, offers no strong criticism of this first step that the new United States administration has taken, it will be that much more difficult to offer criticism of a second step. So we will go on down the line until we find ourselves involved in a succession of agreements to successive steps, the fourth or fifth one of which may be the step that leads us into the catastrophe of a third world war.

There is no doubt in my mind from what the minister has said that he disagrees with a policy the apparent aim of which is to take action with respect to something other than the Korean war, in this case the Chinese civil war. But despite the obvious opposition that the minister feels to what President Eisenhower has done, he covers that opposition by saying, as he did on an earlier occasion, that he trusts President Eisenhower's non-aggressive intentions. Well, I suggest that that is giving to President Eisenhower, and perhaps what is more important and more ominous, to those around him who help to shape United States foreign policy, the notion that if they take another step, a step such as the hon. member for Cariboo has just been objecting to—the proposal to blockade the China coast—or if they decide to bomb communist bases in Manchuria, somehow or other Canadians will still trust President Eisenhower's non-aggressive intentions. That will not be so, and therefore it seems to me that the time to speak out and say to our friends in the United States in friendly but firm terms that we disagree with the course upon which they are embarking is now, at the time of the very first step.

The positions of the various parties in the house on this question now seem to have been made clear. There have been doubts in the minds of some members as to where the government stood. I thought the hon. member for Peel (Mr. Graydon) was trying yesterday to pull the Secretary of State for External Affairs (Mr. Pearson) into bed with him, but I hope I have got him out of that bed by putting on *Hansard* the quotations I have just read from the minister's previous statements. It is clear—and the members of these groups are here to correct me if I misinterpret them—that both the Progressive Conservative and the Social Credit parties support and go along with what they call the stiffening policy being adopted by the new administration at Washington. At least they are stating clearly where they stand, and that is the duty of each group in this house.

Mr. Graydon: I suppose *Hansard* will really show our position exactly, will it not?

Mr. Knowles: I think it will, and I think even the hon. member will admit that I am not misinterpreting his position when I say that he felt Canadians should not be alarmed at what had taken place in Washington, and that his general view was to go along with the new policy at Washington.

Mr. Graydon: I said I did not think you should get too worked up about it.

Mr. Knowles: At any rate the hon. member for Peel is admitting that he is not worked up about it, that he is not going to lodge any protest. I suggest if the people at Washington hear too much of that sort of thing and get the notion that in Canada there is any considerable body of opinion that is not worked up about what they are doing, it will be an encouragement to those around President Eisenhower helping him to shape foreign policy to suggest further steps which could be dangerous and a real menace to the peace of the world.

Mr. Graydon: The red Chinese may be listening to you, too.

Mr. Macdonnell (Greenwood): What is Washington's view?

Mr. Knowles: My hon. friend from Peel is, I think, indulging in something that I referred to in the early part of my remarks, when I said that it is quite easy to over-simplify this whole business and say that because the other side is doing such and such we are justified in doing the same thing. But do we not have to calculate the risks both ways and reach a decision as to what is best for the world, what is best for mankind at this time? We feel very strongly—I have said it four or five times but I will say it again—that at the present time our aim should be to work for the end and not the extension of the war in Asia. We feel very strongly about what Washington has done with respect to Formosa, and about the wild statements that are being made by many of those in political life and many of those in the military services in the United States who are suggesting further steps which are designed to interfere in the

Chinese civil war and which in our view cannot but have the effect of extending the war in Asia.

I agree with the hon. member for Cariboo that if that happens there is no telling where it may go, and it is my view that we should express our opposition to moves in that direction not when it is too late, but now, at the very beginning of this change of policy.

Mr. Macdonnell (Greenwood): Will the hon. member permit a question?

Mr. Knowles: Certainly.

Mr. Macdonnell (Greenwood): Does the hon. member think the President has made any of these wild statements or has expressed the wild views to which he refers?

Mr. Knowles: No. I think I made it clear that the only statement or change of policy that I have attributed directly to President Eisenhower himself, in my remarks today, is the change with respect to the seventh fleet. I said that the other statements that were being made, suggesting the blockading of the China coast or the bombing of the bases in Manchuria, were coming from others in congress and from military leaders in various parts of the United States. Of necessity President Eisenhower must get advice, must have people around him to help formulate policy, and my fear is that if unchecked by the voice of people on this North American continent who are friendly to the United States they might go on down the path that can lead to the third world war that we all hope can be prevented.

I want to say that in our view it is not only in the Far East that we feel the new administration is making certain mistakes. We feel that this is also happening in respect of the situation in Europe. Consequently we believe that there too the voice of Canada should be heard, in friendly but firm terms, in order to help the United States administration get on a more hopeful and helpful pathway.

It has often been said that Canada's position in world affairs is to a large extent that of an interpreter between the United States and western Europe in particular, as well as between the United States and the countries that make up our commonwealth. There is no denying the fact of that situation, and it is one indeed of great importance. It is our view that at this particular juncture it is extremely important that we try to interpret to the United States, and in particular to the new administration at Washington, what we feel to be a proper understanding with respect to the situation in western Europe and also with respect to the commonwealth of nations to which we belong. In that connection it does seem to us that the new administration, through its secretary of state, Mr. Dulles, is showing a lack of understanding of the situation in western Europe. That lack of understanding, I submit, has been portrayed by some of the statements Mr. Dulles made both before his recent trip to Europe and while he was over there, not to mention some of the statements he has made since he came back.

Hon. members are generally familiar with the statement that Mr. Dulles made late in January over television, the full text of which was printed in the New York *Times* of Wednesday, January 28, 1953. I refer in particular to this paragraph:

> The United States has made a big investment in western Europe on the theory that there could be unity there. Of the $40 billion which we have sent abroad since the end of the second world war, almost $30 billion have gone into western Europe. If however, there were no chance, and that I just refuse to believe, but if it appeared there were no chance of getting effective unity, and if in particular France, Germany and England—

Perhaps I might be permitted to pause here and say, along with others who have quoted this, that I suppose Mr. Dulles meant the United Kingdom.

> —should go their separate ways then certainly it would be necessary to give a little rethinking to America's own foreign policy in relation to western Europe.

We have assumed for the last number of years that the United States was in with the countries of western Europe in the terms of a partnership. We have recognized that the role of the United States has had to be that of one with greater wealth to share in such a way as to assist some of the other members of that partnership. Still, we have thought of it as a partnership, and it seems to me that we owe a considerable debt of gratitude to people like Roosevelt and Truman for their part in helping to bring an end to the isolationist sentiment that was common in the United States for so long.

Having mentioned the names of those two former presidents of the United States, I must say that I was shocked yesterday and deeply disappointed to hear the hon. member for Peace River (Mr. Low) refer to the late Franklin Roosevelt and to Mr. Harry Truman, now of Independence, Missouri, as the betrayers of humanity, or the betrayers of mankind.

Some hon. Members: Hear, hear.

Mr. Knowles: I take it, from the approval with which my remarks in that connection are now greeted, that this house generally does not share that view at all.

I was on the point of saying that it was through what those two men did, along with their other contributions to the good of mankind, that the United States did seem to get pulled out of its isolationist approach, and its people in our view seemed to become partners in the common effort to find a means to get away from war, in the hope that we might yet build a world of peace and human accord.

When one member of that partnership, even if it is the member that has had to shell out dollars—and do not forget that some of the other members shelled out something more precious than dollars—starts to threaten other members, threatening to withdraw its dollars and its support unless other members follow a course dictated by that partner, then the situation is, I would suggest, fraught with real difficulty.

My feeling about this matter is not that we should fly off the handle and holler about it; nevertheless we should speak pretty plainly out of the role we occupy as an interpreter between the United States on the one hand, and Britain and the commonwealth on the other. As we play that role of interpreter we should try to get our friends in Washington to see the difficulties that will flow from their following that sort of course.

As hon. members know, after making this statement on television which I have just quoted, Mr. Dulles went over to Europe and travelled around. He visited a number of the countries there and it appears from quite a few press reports that he gave what amounted to an ultimatum, namely that the countries of western Europe should get together and achieve unity along the pattern in the mind of the United States within seventy-five days, or else. For example, here is a story as it appeared in a dispatch by Raymond Daniell, dated February 4, to the New York *Times* which appeared in that paper on February 5:

> According to foreign diplomats the line that Mr. Dulles has taken everywhere on his European trip is that Congress has reached the limit of its patience and wants action . . .

Later on he said:

> Unless there is action on the part of European legislators or a definite promise of it within 75 days he will find it very difficult to convince Congress that further appropriations should be made for Europe's defence.

As I say, there are a number of news dispatches on that point but they are all in the same vein and it appears that since Mr. Dulles returned to this continent, even in a speech made last night, he is still expressing the view of the United States that Europe must unite, or else. He put a little different twist on it last night because, if my memory serves me correctly from a reading of the papers this morning, he said that unless Europe were to unite soon nothing the United States could do could save that part of the world.

Now, when you hear things like that, with the background of the opposition that was expressed by some of the leading Republicans to the North Atlantic Treaty Organization, and when you remember the statement of Senator Robert Taft that this would be a case of rearming western Europe at American expense, one sees in the statements of Mr. Dulles what may well be an attempt to condition the American people to the idea of lessening the responsibility of the United States for the defence of freedom in the western part of Europe.

On the one hand we have this great neighbour of ours doing things in the Far East which we think are provocative, unnecessarily provocative, and in danger of bringing on a third world war. On the other hand in Europe you have this neutralist attitude, this pulling out, this saying to the countries of western Europe that unless you get together and do things the way we say they should be done, well, we just cannot sell the idea to the American people any longer.

Mr. Speaker, all of this beclouds the question as to what are the purposes and interests of the United States in western Europe. I believe that it will be far better if western Europe can unite and federate. There is no question but that a good deal of the trouble we have had across the years has been because of the division of that relatively small continent into so many different units. But for the United States to say to those countries that they must achieve unity in the European defence community or unity on whatever pattern the United States lays down, or be denied United States help is, I submit, the wrong way to go about it.

Several members in the debate have already referred to the significance of that train that crossed the boundary from Germany to France at one o'clock the other morning without having to stop for any customs inspection. Surely that six-nation Schuman plan is a step in the right direction, something for which we are all extremely grateful. It holds great promise for the future. But is not the situation this, that it is far better to encourage these countries to go on with this kind of thing rather than submit them to the kind of threat that Mr. Dulles has been handing out?

Now, what is our part in all this, Mr. Speaker? I come back again to the statement that is so often made, namely that we

are in the position of being the interpreter between these two parts of the world. The United States is closer to us than it is to Europe. As a matter of fact, if I may inject a personal note, I see over there my good friend the Minister of Public Works (Mr. Fournier) and my good friend the Minister of Trade and Commerce (Mr. Howe) both of whom, like myself, were born in the United States. We had the good sense and good fortune to come to this country as soon as we could, and I had the good fortune to be born of Canadian parents. At any rate, there are many of us in this country who have the kind of connection with the United States that makes our relationship that of friends who surely can speak to each other quite clearly and plainly.

I contend that our government's spokesman on foreign policy, the Secretary of State for External Affairs (Mr. Pearson), should talk plainly to the United States, both publicly and privately if he has a chance to see Mr. Dulles, and try to interpret to him the position of these other parts of the world, Britain and western Europe, with which we in this country have such a close connection.

Part of this whole problem as it arises at the present time lies in the age-long suspicion, if I may call it that, that exists between Germany and France. Right now there is a desire in many quarters that the European defence community be completely ratified. Hon. members know that in these countries, particularly in Germany and France, a great many reservations are being made and there are a great many stumbling blocks to the possibility of complete ratification of the protocol between the European defence community and NATO. As a matter of fact, as one looks over the reservations of each of these countries—they are some ten or twelve in number for one and six or seven for the other—one cannot help but sympathize with some of these reservations. I think the position of these countries should be interpreted to the United States. They should be told, in the meantime, not to go around handing out these 75-day threats, and supposing that as a result of that kind of threat immediate action will be taken.

As a matter of fact, the ominous feature of this whole business is that at the present time the picture in regard to western European unity is not as bright as it was before Mr. Dulles started making these television pronouncements and these threats in various parts of the world. It is not my privilege to talk to Mr. Dulles, but it may be the privilege of the Secretary of State for External Affairs. Certainly when he speaks in this house on foreign policy he speaks even more than the rest of us for Canada. I think he should speak plainly as a Canadian friend to our United States friends on this whole question.

There is something else in what Mr. Dulles has been saying. I refer to that passage where he mentioned England and where we presumed he meant the United Kingdom. He objected to that country going its own way, rather than doing the bidding of the United States. There is something there that it seems to me Mr. Dulles and others do not fully appreciate, and that is the peculiar relationship between Britain and the countries of the commonwealth. That is one of the problems that Britain faces in tying up with the proposed military set-up on the continent of Europe. The United Kingdom forever has to keep in mind its relations with the commonwealth countries, particularly the Asian members of the commonwealth.

I suggest that even if Britain did not want to remember that connection for her own sake, we want her to remember the connection with the Asian members of the commonwealth for the sake of the peace of the world as a whole. In my view it is one of the fortunate elements in the picture at the present time, in view of the danger of conflict between the east and the west, conflict on a racial or a colour basis, that we have this association of nations, free and voluntary as it is, known as the commonwealth, including the great countries of India, Pakistan and Ceylon, along with the rest of us in this world-wide association. One wonders whether the importance of the commonwealth in holding our world together is fully appreciated by the people in Washington.

Now, Mr. Speaker, I see that it is just about six o'clock. Although I have a few more minutes remaining I shall not use them. I am prepared to conclude my remarks at this time. I hope that, like my colleague the member for Vancouver East, I have made it clear that we believe Canada should stand very clearly on the side of freedom. We believe also that the facts of the situation require that we assess the risks involved in going one way or the other, that we calculate the risks that confront us at the present time. We believe that, having done that, we must do our best to avoid the pursuit of any policy that would lead to the extension rather than the ending of the war in Asia. We feel we must avoid any course that would break down the larger unity that has been built up in the North Atlantic

community and in western Europe, within the framework of the United Nations.

Because we take that position we feel that our voice should be one of strong and friendly advice to the United States. In other words, we have no quarrel with what the minister said in terms of foreign policy when you have read his speech closely enough to find it. The trouble is that the important points were buried in the middle of his speech and covered up with words that seemed to be chosen so that they would not be seen by the new administration in the United States. We think it should be said clearly to that country that we recognize the important part they are playing in the leadership of the free world. We recognize the importance of our friendly relations with them. But as my colleague said yesterday, we think we should not just be told what is being done; we should be consulted and in that consultation we should advise the administration at Washington that we believe no steps should be taken at this time that could lead to an extension of the war in Asia. Our immediate aim should be to bring to an end as soon as possible the present conflict in Korea. Having done that we should go on and do our best to pursue a course that will enable us to achieve permanent peace for all mankind.

Mr. Churchill: 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. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, the importance of foreign affairs to Canada is so great that I am venturing to participate in this debate. I think it is only by a full discussion that we can arrive at the desired unified policy.

We are engaged in what appears to be a very serious struggle with the forces of communism. So far that struggle has not become one of global war with the navies, armies and air fleets of the world locked in mortal combat. It is possible that it will not be extended to a world-wide war. The strategy of the communist powers appears to take the form of a long-term process of erosion, with force applied here and there on the perimeter and psychological warfare increasingly pressed throughout the world.

Russia, unified and controlled by a military oligarchy, in some respects has an advantage over the freedom-loving democracies whose military alliances are subject to all the stresses and strains that must be expected if freedom to express opinions and to disagree is to be maintained; and without that freedom democracy would have no meaning.

With those thoughts in mind I suggest—and I am merely restating what others have already put forward—that we base our policy upon the premise that communism constitutes an external and internal threat to the democratic nations of the world, that that threat may well continue for a very long time, and that it can be met only by preparedness and eternal vigilance.

We should recognize the fact that a serious and perhaps decisive war for freedom is being waged in Asia; that the democracies must be fully prepared to resist any communist threats in Europe and the Middle East, and that an all-out effort must be made to perfect our military defences so that neither surprise nor superior forces will achieve success against us.

In my opinion the first thing to do is to create a proper climate of opinion. We should drop the terms "cold war" and "police action". We should avoid being misled in the future by insincere suggestions of an armistice in Korea. We should recognize that there is no immediate possibility of terminating the Korean war. We should generally settle down to a determined long pull against the communist menace.

We are faced by a crafty and implacable enemy who now controls one-third of the earth surface and 800 million people; an enemy who is practically self-sufficient in all materials necessary for war except oil; an enemy who appears to be planning or plotting the destruction of the western democracies, and who desires domination of the world. In his speech of January 27, as printed in *U.S. News and World Report* of February 6, Mr. Dulles used these words:

> —the threat is a deadly serious one. President Eisenhower recently said this nation stands in greater peril than at any time in our history. Any American who isn't awake to that fact is like a soldier who's asleep at his post. We must be awake, all of us awake, to that danger.

If the United States is in greater peril than at any time in its history, so is Canada; for our fortunes are inextricably linked with those of our neighbour to the south upon whose shoulders rests now the grievous weight of world leadership. Canadians must be just as awake to the peril as Americans; but if we continue to talk about the "cold war" and "police action", and use the term "cold peace" recently foisted upon a quiet, peaceful and unsuspecting public by the Secretary of State for External Affairs (Mr. Pearson) if press reports are accurate, we shall certainly obscure the issue and run the risk of adopting an attitude of complacency.

External Affairs

Hon. members will recall the period in 1939, after the fall of Poland, to May 1940. That period was dubbed by careless observers "the phony war", and a go-slow and complacent attitude was adopted. It was not until the cataclysm struck in May 1940, and again in December, 1941, that the world was awakened to the gravity of the situation. Let us not make the same mistake again.

We are obviously engaged in a major war in Asia. It is unfortunate that the war is not viewed in the proper light as a war on three fronts, Korea with the threat to Japan, Indo-China and Malaya with the threat to southeast Asia, the rice bowl of the Far East. The forces on both sides comprise at least three million armed men. Casualties have reached a large total. It is war on a very considerable scale, and far from being limited in scope, it shows every sign of increasing in intensity and of becoming spread more widely as the nationalist forces of Chiang Kai-shek once again enter the conflict.

During the past year and a half we have been misled by the armistice negotiations in Korea into thinking that that particular phase of the warfare in Asia could be brought to an end. Surely it is obvious now that the communist powers never had any sincere desire to bring to a conclusion the war in Korea. The armistice talks were used as a cover for an intensive build-up of the Chinese army and for an intensive program of fortification and consolidation. At the same time the psychological effect of the negotiations served the purpose of lulling the United Nations into a mood of complacency.

There is now a widespread feeling that a full-scale effort on the part of the United Nations might bring the war in Korea to an end. I might point out that there is some difference of opinion among experts with regard to that. Nevertheless there has been considerable talk about bringing to an end the war in Korea, as if that would end the struggle against communism.

I notice in the *Citizen* of February 10 an article commenting on the fact that General Van Fleet, recently retired as the commander of the army in Korea, says that a big drive now would meet with success. Another general, an acknowledged military expert, Lieutenant General Robert Eichelberger, writing in a magazine, I am not sure whether it is *Time* or *U.S. News and World Report,* suggests that the course in Korea cannot be settled by an all-out offensive, but that we have to settle down to a long struggle there and replace in so far as possible some of the United Nations forces with trained and experienced South Korean troops. He suggests that simply driving to the waist of Korea is not going to be an easy operation, nor will it necessarily end the conflict. Those who have suggested making a drive to the waist of Korea have indicated that that would shorten the line by about half, from 150 odd miles to 70. They think it might be accomplished by suffering a casualty toll of about 50,000 men, but that would be better than to have the thing go on indefinitely, with casualties mounting month by month. But whether anyone is prepared at this stage to advocate such an all-out offensive is something open to question.

Canadian advice and counsel will be needed under these circumstances, and I hope that our people who have the opportunity to make their voices heard will point out some of the difficulties involved in any suggestion of a quick way to end the war in Korea. There is not only the question of the tremendous build-up of material required; there is the question of the training of the troops to take part, and there would be to some extent a frontal attack in addition to any airborne landing or any end runs by naval forces on the flanks; and the rotation system that is being followed by the United States army and by the Canadian brigade rather militates against building up quickly the forces capable of offensive action.

Even if an attempt were made to end the war in Korea, it does not follow that the war in Asia would be completed; for although our forces might be released from Korea, so also would the Chinese armies, unless they were destroyed. They would perhaps then be free to direct greater attention to Indo-China. Perhaps the pinning down of one million Chinese soldiers in Korea has saved southeast Asia from falling into the hands of the communists. If southeast Asia becomes a communist stronghold the whole Far Eastern and south Pacific area will be menaced.

During the past two and a half years the emphasis in our news reports has been on Korea. Malaya has been considered the concern only of the British and Indo-China as a colonial difficulty of the French. Well, consider in that connection the viewpoint of Geoffrey Crowther, editor of the London *Economist.* I should like to quote from an article that appeared in *Look* of December 16, 1952, in which he has this to say:

> When it comes to comparing relative efforts, Americans tend to overlook what is happening in Malaya, and the French complain even more bitterly that they are given little credit for what they are doing in Indo-China. The British in Malaya and the French in Indo-China, equally with the Americans in Korea, are fighting communists of Chinese nationality, who draw their inspiration and

their weapons from Peking and Moscow. Korea, it is true, is a United Nations war—but only by the accident that the Russians were boycotting the UN when the fighting started and the security council was able to act. To the British and the French, this is a formal distinction but still not a real difference.

The reality is that all three western nations are fighting communism in the Far East, and if the burdens they are shouldering in doing so are put alongside their relative resources, the result is not as unequal as it can be made to appear by looking at Korea alone. Indeed, there is no doubt that, of the three, the heaviest strain falls on the French, whose contribution in Korea is the smallest.

Let us consider for a moment the effort that has been made in those three areas of conflict and the losses that have been suffered. In Korea it is estimated that United Nations forces number about 500,000, and enemy forces over a million. In Indo-China the French and Viet Namese have 400,000 under arms and their communist opponents about the same. In Malaya, the British and Malayans with 30,000 regular troops and 100,000 auxiliaries are opposed by communist guerrillas numbering about 5,000 and supported by thousands of communist sympathizers.

Casualties in Korea have been heavy; they have also been heavy in these other areas of conflict. United Nations estimates indicate that in Korea casualties on both sides have gone about as high as two million. Our own Canadian brigade in two years of service in Korea had a casualty list on January 31 of this year of 1,335. The cost of the Korean war to the United States is $7 billion a year. A million tons of supplies per month are consumed.

To call this a cold war or a police action is in my opinion to very seriously misuse the English language, and is psychologically unsound. It breeds complacency and indifference, with a resulting slackness in the field of production of military supplies.

Quite a number of examples could be given of apparent slackness in the production of military supplies, and various news reports indicate that munitions of war and military supplies of all kinds have been diverted from Europe to the Far East. That situation is not as good as it might be. The outstanding example, of course, has been the shortage of ammunition in Korea, which has been both acknowledged and denied from various sources.

I give this just as an example of what the attitude toward the Korean war may cause in connection with the vital matter of supplying munitions of war. I noticed that in January of this year Mr. Arthur Blakely, writing in the Winnipeg *Tribune*, drew attention to certain developments during the Christmas recess in regard to the matter. I quote his words:

But there's been some interesting developments during the Christmas recess. They've occurred in Korea and in Washington. When President-elect Eisenhower visited Korea, he found—and was disturbed to find—that U.N. troops were handicapped by . . . a shortage of ammunition.

He certainly didn't regard the situation which he found as one which could be regarded as perfectly normal under even "static" war conditions.

And then on February 6 the Montreal *Star* says this:

Canada has been called in to help remedy the shortage of ammunition for United Nations forces in Korea . . .

The shortage of ammunition in Korea, reported and denied repeatedly for months, has been said to have forced rationing among UN troops at the front, particularly in certain types and sizes of shells . . .

President Eisenhower confirmed existence of the general shortage when he returned from his trip to Korea before taking office, promising a speed-up in deliveries.

And in the Montreal *Star* of February 9 I find this article from Washington:

The army indicated yesterday it is making progress toward solving ammunition shortages in Korea.

And farther down:

However, army sources said the situation is unchanged from last December 19, when army officers at a Pentagon briefing revealed that President Eisenhower was dissatisfied with the amount of ammunition available in Korea.

The situation in so far as our own Canadian troops are concerned may be quite satisfactory. The over-all picture of munitions supplies in Korea, if these reports are accurate, obviously has not been satisfactory. I suggest that that slackening of effort in the supply of munitions is due to complacency which we should get rid of.

I have quoted from some sources in that connection. I should like now to draw the attention of hon. members to the comments of Mr. Willson Woodside, military critic for *Saturday Night*. For the last two years he has been drawing our attention to the threat posed by communist efforts in Indo-China. In the issue of February 7 he relates that struggle to the European scene and points out that the difficulties in completing the plans for the army of the European defence community extend from France's troubles in Indo-China.

Just a short quotation from *Saturday Night* of February 7:

For, although the European army crisis exploded in Paris, it originated in Indo-China. There, following Lenin's famous saying that the road to Paris and London lies through Peking and Calcutta, and the late Andre Zhdanov's exhortation, in founding the cominform in 1947, that the communists must take the capitalist states in the rear

in Southeast Asia, the Soviets have been bleeding French military power to death.

And he suggests that there we may find communist strategy, and the reason for our difficulties in the formation of the desired European defence army.

Another military commentator whose observations merit close attention is Major General Fuller, one of Great Britain's outstanding authorities on warfare. In an interview with *U.S. News and World Report* reprinted in *Reader's Digest* for January he says some things I should like to draw to the attention of the house. He was asked a series of questions, to which he gave the answers indicated in the following:

Q. General Fuller, what is your impression of the present European army?

A. As it stands it is pathetically unreal. It's just a paper army. If Russia should move now, there is no obstacle to her overrunning western Europe except the stubborn geography of the Pyrenees mountain range between France and Spain.

Q. Could the allied forces now in Europe fight an effective withdrawal action if Russia did strike?

A. No. It is anybody's estimate how much they could salvage in men and equipment. But our withdrawal would be disastrous psychologically. We must not wrongly assume that the next war will be like the last—a war of retreat, then liberation and finally unconditional surrender.

Q. Does that mean the military outlook in Europe is hopeless?

A. Not at all. The purpose of rearming is to force the enemy to negotiate on terms favourable to yourself.

And then the following:

Q. Do you look for a shooting war in Europe in the foreseeable future?

A. No. It was Lenin's idea "to postpone operations until the moral disintegration of the enemy renders delivery of the mortal blow easy." In his system, psychological took precedence over military. Today Russia's build-up has two purposes: First, to support her psychological war by a terror barrage, a standing threat to all who oppose it; second, to defend herself should her psychological offensive lead to actual war.

General Fuller has had a reputation for thirty years of competent criticism of military effort and is well worth paying attention to. There is another critic to whom almost every military leader during the last thirty years has paid attention, and that is Liddell Hart. In the February issue of the *United Nations World* he has an article which anyone who is interested in this problem should read with some care. Liddell Hart needs no words of praise from me because he has been praised by so many in the course of his lifetime. Of him Ivan Maisky, the former Soviet ambassador to London, said:

We regard Liddell Hart as the best military brain in England.

In this article Liddell Hart puts himself in the position of Russia's chief of staff and decides what advice he would give to Stalin if he occupied that position. No man has played a greater part in directing military doctrine than Liddell Hart, and I drew the attention of the house to the credit given him by the German leaders in the last war for the instruction they had gained from his writings on armoured warfare. Putting himself in the position of Russia's chief of staff, he surveys the world scene from the Russian point of view and decides where he would advise Stalin to strike. It is interesting reading indeed, and if world domination is to result he puts the chief emphasis on Great Britain. I should like to quote briefly from what he says:

"In the first place", I would emphasize, "Russia must make sure that she can annihilate Britain quickly—not so much because of Britain's own power but because of her key position, just off the continent of Europe as a base for American counterattack, particularly with atomic bombs. Secondly, we must be able to see a good chance, an effective way, of paralyzing counteraction by the United States for a lengthy period. It will not be enough", I should say, "to overrun Europe and sweep the Americans out of it, unless we can ensure ample time for them to cool down, in a state of impotence, and come to the conclusion that there is more to lose than to gain by a prolonged and destructive effort to recover their hold on Europe."

Of course he elaborates on these two main objectives. It is interesting to note what he would suggest to Stalin with respect to the Far East if he were his chief of staff. He says:

In the Far East, I should use part of our fourth army, which is positioned near the Bering strait, for a raiding stroke against Alaska. That is not a suitable line for a major operation, but even a small stroke there would play on the fears of the Americans and Canadians, and ensure a disproportionate diversion of their forces to guard their own continent.

Finally he concludes with these words:

Nevertheless, I would not care to advise that an attack should be undertaken . . . It would therefore be wiser to pursue our "camouflaged warfare" policy and strategy—what our opponents call "the cold war"—which shows many signs of continued and increasing success. As a Soviet soldier, I am profoundly conscious of the fundamental truth of Lenin's maxim, so masterfully applied by Stalin, that "the soundest strategy in war is to postpone operations until the moral disintegration of the enemy renders the mortal blow both possible and easy.

I suggest that Liddell Hart's appraisal of the military scene throughout the world is worth very careful study.

Summing up, what are the courses open to the western democracies? I think we have to pursue our policy of military preparedness. We have to do what we are doing, provide trained men and munitions. In the actual war zone, I think the proper policy is now being employed of training the Korean people themselves and the people in Malaya and Indo-China for service in the field so

they are able to protect their own countries. There is nothing new in that policy because for many years the British and French have trained troops of nations which have been under their control; and if it is pursued the number of United States, British, Canadian and other United Nations forces might reasonably be reduced or might be held in reserve to bolster the homeland forces fighting the enemy. That, plus naval and air support, might be the answer.

In addition, we can supply specialized services from our advanced knowledge of mechanized and scientific warfare. Take the example of South Korea again. It has a population of 20 to 23 million people. They now have 14 divisions trained to operate against the enemy, and could have up to 20. With 20 they might successfully conduct their defensive war against the pressure of the communist forces. In Indo-China similar steps are being taken to train the soldiers of the Viet Nam, and also in Malaya.

In the third place, I think we have to continue our efforts to reach a peaceful settlement. I am not suggesting that such efforts should not be carried on. I have no intention of appearing to be an alarmist. Looking at this problem in an objective manner, I think we are facing the application of force by the communist powers in some parts of the world, and we must attempt to arrive at a peaceful settlement in so far as we can. I hope that a peaceful settlement may be achieved. I hope we will spare no effort to reach a peaceful settlement, but coupled with that I think must go the military preparedness that I have mentioned.

Then, if we follow General Fuller, we must emphasize psychological warfare. General Fuller suggests that that is a part of the communist threat to the world, and he thinks that we have not taken as active a part in that aspect of the conflict as we should. General Fuller was asked this question:

> **Is there any strictly military answer to communism?**

This is his reply:

> **Certainly not. You must answer an idea with a better idea. In the last two wars, the winners came off almost as badly as the losers. In other words, the power to destroy is rapidly becoming the deterrent to war. Since mankind will continue to argue, the people of the world will more and more be restricted to a psychological battleground in order to avoid extermination.**

In all of this what is Canada's part? I suggest that once again in the course of our history we have to become the arsenal of democracy. Our productive capacity and our skill are equal to the task. I think that our armed commitments can be kept on a limited basis as at present. I agree with the proposal put forward last year by the hon. member for Nanaimo (Mr. Pearkes) that our emphasis should be on air, and that in addition we should supply naval and army forces, but that we should be careful to keep our air fleets in being and not distribute them throughout the world. As far as our army commitments may be concerned, mobile armoured forces should be the answer in this present era, with airborne troops available for quick and useful service in times of emergency. In addition, if we can assist South Korea, Indo-China and Malaya by military teams to train their men, so much the better; and in conjunction with the people of those countries we can put forth a proper and full effort against the menace which appears to be threatening our very existence.

I will conclude, Mr. Speaker, by quoting from President Eisenhower's message to Congress. These are his words:

> **Our country has come through a painful period of trial and disillusionment since the victory of 1945. We anticipated a world of peace and co-operation. The calculated pressures of aggressive communism have forced us, instead, to live in a world of turmoil.**
>
> **From this costly experience we have learned one clear lesson. We have learned that the free world cannot indefinitely remain in a posture of paralysed tension, leaving forever to the aggressor the choice of time and place and means to cause greatest hurt to us at least cost to himself.**

I would say, Mr. Speaker, that some rethinking of the world situation is required at the present time. The Secretary of State for External Affairs (Mr. Pearson) has pointed out that it is a global problem, and it is on that global scale that we must look at it. I think if we call the war in Asia what it is—a war—and consider that our troops in Europe and elsewhere are performing functions that were performed centuries ago by the Roman legions on the borders of that empire; and if we meet the menace of communism which tries to subvert democratic governments, and conduct as far as we are able a modern psychological warfare, then some of our problems in connection with the menace of communist tyranny may be lessened.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I am conscious of the fact that this has turned out to be a long debate, and I can assure you that I will try to shorten my remarks as much as possible or at least to speak as quickly as I can.

It seems evident from what has been said by those who have preceded me in this debate so far that there is very great importance attached by members in this house to the United Nations Organization. Indeed, I believe it is our only hope today for peaceful settlement of the difficulties of the world. I

think there is a primary consideration which must be kept in mind at all times, and it is that the existence of the United Nations is mainly dependent on the support of the people themselves in the other democracies of the world. It is of primary importance that the people themselves should fully understand what the United Nations Organization is and fully appreciate what it can do for them, so they will continue to give it their full support.

As we all know, the United Nations Organization is an association of nations and, as such, is an association of governments. In the case of democracies, governments can only go as far as the people in those countries will allow them to go. It follows that the United Nations can only succeed to the extent that the people in the various countries will allow them to go. So, Mr. Speaker, I think it is of primary importance that we all do our utmost to try to explain and give full appreciation to what this United Nations organization is, to the people in our various constituencies. By the same token I think it is our duty and I think it is my duty tonight and it is the reason that I rise in my place tonight, to answer unfounded criticisms, some of which have appeared in my constituency.

A few weeks ago the hon. member for Macleod (Mr. Hansell) held a political meeting in my constituency. Naturally I do not know what transpired at the meeting, but when he departed to return to Ottawa he left in his wake an article which was published last week in the local newspaper of one community. It is a very damaging article, in my humble opinion. I think it is one so full of inaccuracies that it cannot go unchallenged, and that the record must be put straight. I refer to an article entitled "An honest appraisal of the United Nations Organization by E. G. Hansell, M.P." The article reads in part as follows:

> Truth campaign
>
> Not so long ago President Truman decided on a campaign of truth to expose the evils of communism and went so far as to set up a government agency for this purpose. But truth is not one-sided. The searchlight of truth should also be turned upon ourselves, for it is we of the free nations of the UN who are in a pickle at the present time.

I might pause, Mr. Speaker, to wonder for a moment exactly what this means. Since there are only two sides in this issue, the democracies on one side and the communist states on the other, apparently it is we who are in the pickle. I would just refer the hon. member to the excellent speech of the Secretary of State for External Affairs (Mr. Pearson), more particularly at page 1848 of *Hansard* of February 11 where, in talking about the Korean resolution before the United Nations, he summarized as follows:

> Their summary rejection, and it was a summary rejection by the communists, of this great opportunity for peace exposes the hollowness and hypocrisy of the communist clamour for a cease-fire without an armistice . . .

Then I go on with the newspaper article:

> —truth is still our weapon, but let us have the whole truth.

And here is the first line of his next paragraph:

> The fact of the matter is that this United Nations is largely a socialist-communist organization.

Well, Mr. Speaker, one can only go to the history of the organization itself. As we well know the organization arose principally from the Atlantic charter, and I would like to quote a paragraph of that charter which was drawn up in August of 1941 by President Roosevelt and Prime Minister Churchill on a warship on the Atlantic—and there was no socialist-communist there. The paragraph reads:

> —a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want.

Then on January 1, 1942, representatives of 26 nations signed in Washington the declaration by the United Nations expressing support of the principle of the Atlantic charter and pledging their countries to go on fighting alongside each other until victory. So there is nothing socialist or communist in the first history of the organization.

Then we must look at the present membership of the organization. As all hon. members know there are at present 60 nations which are members of the organization. Of those there are 6 nations that can be termed communist and possibly half a dozen that can be termed socialist. So there are now some 48 nations out of 60 which can by no stretch of the imagination be called socialist-communist nations.

It is difficult to understand the ignorance of a member who could make a statement of that nature, that the United Nations Organization is a socialist and communist organization. Even if the implication there was that the U.S.S.R. wanted to tailor the United Nations to their own political pattern, certainly they have not had much success so far. One need but look at the pattern of the voting that has taken place from day to day in the United Nations assembly to see that the pattern is always the same. Take the vote on the Korean issue,

54 nations for and 5 against with one abstention. There was a majority of 49 nations against the 5 nations of the communist-socialist world. I know from personal experience when I was there that that is the pattern all through; inevitably that was the way the vote was recorded. It is, therefore, absolutely unexplainable to me how a member in this house could make a statement of that nature.

Then he goes on in the next sentence:

It is applauded by the internationalists, most of whom are socialists.

Now, Mr. Speaker, I do not know exactly to whom the hon. member refers as "internationalists". I do know this, that the United Nations Organization—we have had an excellent demonstration in this house—is applauded by people of good will throughout the world who are seeking an international basis for justice, harmony and freedom. It is simply ridiculous, for instance, to call the government of Canada socialist, or the government of the United Kingdom. The most important nation in the United Nations and the one that is carrying the biggest load of all is the United States of America, and it is not socialist. It is difficult to understand how anyone could say that the association of these nations is applauded by internationalists. Then the next sentence is as follows:

It was conceived and brought into existence by those who visualized a world government and whose desire, in the process, was to bury national sovereignty—

I must pause on the first part of that sentence, "It was conceived". Possibly the hon. member can do some mind-reading, and is the only one who can tell us the secret aims of the founding fathers. But we do have the nature and purposes of the organization well set out in the charter itself. Anyone, particularly the hon. member who stated that this was supposed to be an honest appraisal of the United Nations, should have taken the trouble to read the preamble of the charter before judging the organization he was going to appraise. We find the following in a paragraph of the preamble:

—to reaffirm faith in fundamental rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small—

World government, Mr. Speaker; that is exactly what the United Nations is not. It never was intended to be a world government, and that is clearly stated in the charter. All you have to do is turn to article 1, subsection 2, to find the following purpose set out:

To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples—

Then, turning to article 2, subsection 1, we find that the organization is based on the principle of the sovereign equality of all its members. In article 2 of the constitution we find set forth the manner in which sovereign rights shall be officially interpreted. We find there that "sovereign equality" was officially defined as meaning that states are juridically equal; that each state enjoys the right inherent in full sovereignty; that the personality of the state is respected as well as its territorial integrity and political independence; that the state should, under international order, comply faithfully with its international duties and obligations.

One turns to section 7 to find the following:

Nothing contained in the present charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the members to submit such matters to settlement under the present charter—

It is made quite clear in the charter to anyone who cares to read it even in cursory manner that the organization was never intended to be a world government.

Under the heading "Moscow conference" this press report runs something like this:

In 1943 Moscow was the setting for a conference of dignitaries, some of the big men of the earth, none other than the foreign ministers of those nations arrayed against Hitler.

It is not clear if the writer has commendation or condemnation for those who were against Hitler. I continue to quote:

At this conference the setting up of the United Nations Organization was initiated. "The old league of nations had failed. We must have something stronger", seemed to be their theme. It was recognized that in order to have power centralized in a world organization it would be necessary to solidify the already centralized international power of finance, and this would have to be made to synchronize if possible with the proposed United Nations Organization.

It is not quite clear what is meant by the international power of finance. It would seem to indicate that the member sees a dark plot by big bankers to centralize the financial powers of the world. Here again I should like to direct the attention of the house to this organization, the international monetary fund and the bank. The purpose of this organization is just the opposite. It is not a matter of centralizing, because again it is an association of nations and not of individuals. It takes power away from individuals and places it in the hands of nations and governments.

The purposes of the international monetary fund are clearly set forth in the charter of that organization as well. It is to promote international monetary co-operation through a permanent institution which provides machinery for consultation and collaboration

on international monetary problems; to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy; to promote exchange stability; to assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade; to give confidence to members by making the fund's resources available to them under adequate safeguards, and so on. So, instead of centralizing power, the purpose of this association of nations is to help the less favoured nations.

Then we go on to the next phrase in this report:

> The next items on the agenda of the world socio-commio planners were the Bretton Woods and Dumbarton Oaks conferences which resulted in setting up the international monetary fund and the world bank.

This is a new word which was coined, I presume, for the occasion: "socio-commio" planners. I imagine it means something like socialist communist planners. Here again it is not quite clear who are those planners, but we know that this was planned by the four big nations of the world.

Who were present when these arrangements were made? I am sure we will not find any socialists or communists outside of the one delegation. Representing China was Wellington Koo, who brought China into the league of nations, and Victor Hoo. Representing the United Kingdom was Lord Halifax and Sir Alexander Cadogan. Representing the United States was Edward Stettinius, James Dunn and Joseph Clark Agnew, the latter being a member of the board of review, atomic energy, of the United States. There again there is no indication or at least no substance to the allegation that these were socio-commio planners. It then goes on to say:

> These aforementioned agreements were ratified by the parliaments of the signatory nations of the world. But let us pause for a moment and meditate on the startling fact that the executive secretary of the aforementioned conferences and a key figure in shaping this centralized and powerful world financial machinery was none other than Alger Hiss, since convicted by the Supreme Court of the United States as a communist agent. Is it conceivable that such a brain whose first loyalty was to Moscow would advise such machinery as would be contrary to the wishes of the Kremlin?

Reference is made there to a key figure. As all members well know, the bank and the fund were planned at the Bretton Woods conference. There is no record that Hiss ever attended that conference, either as a member of the United States delegation or on the secretariat. The secretary general of that conference was Mr. Warren Kelchner, chief of the division of international conferences of the state department. There is no evidence whatsoever to indicate that Alger Hiss attended that conference in any capacity whatsoever. He then goes on to say:

> Some of Hiss's advisers were men who were already powerful figures in world finance. Among them was Henry Morgenthau, Jr., whose plan to restrict and demoralize the German economy for the benefit of American financiers has back-fired. There was also James P. Warburg who is an ardent advocate of world government. His friend, Eugene Meyer, another powerful banker, became the first head of the International Bank. His successor was John J. McCloy, who sat under the teaching of the marxist Felix Frankfurter of Harvard Law School.

For an hon. member to suggest seriously that Henry Morgenthau, Jr., secretary of the United States treasury and chairman of the United States delegation to Bretton Woods, the elected president of that conference, was an adviser to a middle-ranking civil servant at the conference is beyond all imagination. It is obvious that the writer has indulged in a little indirect anti-semitism. He refers to McCloy, and was attempting to link him up with what he termed was the marxist, Felix Frankfurter. It is quite obvious that this was an unadulterated smear on a very notable person, a justice of the United States supreme court. I cannot say the word I would like to use. Then he goes on:

> The same traitor Alger Hiss was also executive secretary of the San Francisco conference and one of the brains behind the charter which moderately advocates a world police force which would whip into line such nations who dared to refuse to toe the line, which line would be determined by the world government boys.

The same traitor, Alger Hiss, is indicated as one of the brains behind the charter. As we all know, the executive secretary of the San Francisco charter was responsible for the administrative arrangements for the conference. There is no evidence whatsoever to substantiate the statement that he was in any way the brains of the conference. I can imagine that his time must have been pretty well occupied in arranging the administrative details of such a large conference. Delegations from fifty nations attended that conference and drafted the charter.

From Canada there were Mr. Mackenzie King and the present Prime Minister (Mr. St. Laurent), the hon. member for Peel (Mr. Graydon) and the hon. member for Rosetown-Biggar (Mr. Coldwell). Then there were Mr. Wellington Koo; Mr. Bidault and Mr. Pleven from France; Mr. Fraser from New Zealand;

Field Marshal Smuts from South Africa; Mr. Eden, Mr. Attlee and Lord Halifax from the United Kingdom, and Mr. Stettinius, Mr. Hull and Senators Connally and Vandenberg from the United States. To suggest that all those men were simply hoodwinked by a member of the secretariat is just fantastic, to say the least. Then he goes on to say:

> Oh, yes! And we mustn't forget another choice morsel. Mr. Stettinius was secretary of state of the United States at the time and played a big part in the San Francisco conference. His speeches at this conference were written by one Dalton Trumbo, who has since been exposed as a communist by the congressional committee on un-American activities.

The fact that a few United States civil servants in that department have been found unreliable does not justify a statement of that kind as applied to Mr. Stettinius. Frankly this type of slur is most dangerous. Then later on he says:

> Why should it be necessary to make surrender of national sovereignty a condition of co-operation?

It is not necessary to surrender national sovereignty to make international co-operation possible. This is not required by the United Nations charter. However, there are instances where freely negotiated and accepted agreements contain terms that limit certain aspects of national sovereignty in the interest of obtaining effective co-operation. Almost any international treaty or agreement involves the voluntary limitation of the exercise of certain rights. The agreement or convention for the suppression of the slave trade or control of the international movement of narcotic drugs required each signatory to agree to a limitation in the exercise of certain rights of sovereignty. There is nobody in this house who would object to such conditions.

I see the clock is moving on, and I do not intend to go any farther with this argument. I think I have quoted enough to show how unreliable and dangerous literature of that nature can be when circulated among the people who go to these meetings, unaware of what is to happen and expecting the truth to be presented to them. I deplore the fact that any hon. member of this house should take advantage of the confidence that was shown in him to spread such propaganda. I repeat that the effectiveness of this vital organization depends in a most essential way on the support which it will receive from the people at large in the democracies.

Mr. Hansell: I did not want to interrupt the hon. member while he was speaking, but perhaps I may ask him a question now. He has been quoting an article which I wrote some time ago, and in asking my question I am not denying that I wrote the article. I should like to know the name of the newspaper in which it was reprinted, because I did not leave the article there.

Mr. Jutras: The article was published in the local newspaper in the town of Provencher where the hon. member for Macleod held a meeting.

Mr. Hansell: What is the name of the paper and of the town?

Mr. Jutras: I will send the hon. member the name.

Mr. W. J. Browne (St. John's West): Mr. Speaker, this is a motion to refer the estimates of the Department of External Affairs to a select committee, and it is the only opportunity hon. members have of speaking on the subject. I therefore wish to take advantage of the occasion to make a few remarks.

A very important event took place last year when the Democratic regime in the United States finished 20 years in office and General Eisenhower, who had been commander in chief of the allied forces in world war II and then had organized the forces in Europe under the North Atlantic Treaty Organization, resigned his position, stood as a candidate and was elected.

It seemed to me that as soon as he announced he was going to run as a candidate, he was going to be elected. There was something about General Eisenhower that impressed the whole world as a man of destiny, a man of the hour. Like Washington, he was first in war, first in peace and first in the hearts of his countrymen.

Although we give credit to General Eisenhower for what he has accomplished up to the present time, I think it would be hard to agree with the leader of the Social Credit group (Mr. Low) in his condemnation of the two previous presidents. On reflection perhaps he will admit that these men made great contributions to the life of the United States and the life of the world, and must not be condemned because they made mistakes. Sometimes they made them because they received bad advice. It seems to me that the people of the United States and the people of the world owed a great deal to President Roosevelt in those early years when he came to the assistance of Great Britain.

Now that a new regime has taken office at Washington it is only to be expected that there will be some change in their policy. They have been criticizing the Democrats for many years for doing the wrong things, and it is therefore only natural that they should try out their own policy. But in regard to foreign affairs President Truman and President Roosevelt before him said

that they were following a bipartisan policy. An example of that was Mr. Dulles negotiating the treaty with Japan, and he is now secretary of state for General Eisenhower.

As a matter of fact there is very little change in the attitude of the present government towards the countries of Europe and the European defence community and that of the administration that preceded General Eisenhower. I hold in my hand several references which prove that there is very little change at all. President Eisenhower himself said that his policy towards our European allies, if it was not to be exactly new, was also going to be more positive. He said that maximum security against communist aggression required closer co-operation among the nations of western Europe, and that this unity could only be created from within. He bluntly warned:

> Our allies would get help in the measure that they strive earnestly to do their full share of the common task.

That was General Eisenhower. But here is a statement by Senator Connally, leader of the Democratic party in the United States, which was made in July, 1952. He said, and I am quoting from a summary of the congressional proceedings in the United States for June and July, 1952:

> The defence of Germany of course benefits the Germans themselves more directly than any other nation. The U.S.A. was willing to help any free people defend themselves against totalitarian aggression, but it was not willing or able to carry the whole burden of defending those who were not interested in their own self-defence. The Germans had pledged their best efforts; they had undertaken very heavy commitments and they deserved support.

I hold in my hand the *Saturday Review* of May 31, 1952. In it is a review of a book by Drew Middleton, the correspondent of the New York *Times*, called the "Defence of Europe". The review by Frank Altschul is headed: "Diplomacy vs. Resources", and he says:

> As another example, Mr. Middleton echoes what we hear from many Europeans, that American impatience with the slow progress toward European integration is, to say the least, not well received. When this is expressed in the form of a threat that, unless the process is speeded up, we may discontinue economic and military assistance altogether, positive resentment is aroused.

I quote that, Mr. Speaker, to show that Mr. Dulles is not saying anything new; he is not announcing or pronouncing any new policy. That was said by the Truman government, and there was no great outcry from my friends to the left at that time.

In regard to Formosa, in the same volume of the congressional proceedings there is a speech by Mr. J. C. Stennis, a Democratic member of the armed services committee, who said:

> They should immediately intensify and extend to the division level the training of Chinese nationalist troops on Formosa, and give the highest priority to fully equipping them as early as possible for use on Formosa and in Korea. If communism was to be stopped in Asia, they must develop Asiatic manpower to do the job, and Formosa was the place to begin. First consideration should be given to the eventual use in Korea of the Chinese nationalist troops now on Formosa.

In *Time* for February 9, however, they say that a great change has taken place in the Formosan policy. The Truman doctrine contained the Chinese nationalists and kept them on Formosa and the United States had sent only a very small amount of equipment there. That is to be changed, and the present administration believe that greater assistance should be given to the armies of Chiang Kai-shek.

Before the hon. members to my left, the members of the C.C.F. party, spoke in this debate I knew what their attitude was going to be. They have frequently laid down the law in this house, especially in regard to China, and particularly in regard to Chiang Kai-shek. They are undoubtedly opposed to Chiang Kai-shek. They lose no opportunity to criticize him. They see no good in the man or in anybody who has been associated with him. But they do not condemn the Chinese communists. To any fair-minded man looking over the record of China for as long as he can look back, say for the past 25 years, it is obvious that during the regime of Chiang Kai-shek China was a very much healthier place for the majority of the people who were living there than it is at the present time.

Take the missionaries who have been persecuted, who have been arrested and imprisoned and punished for no crimes at all, and sometimes have suffered martyrdom. Some of them have been driven out of the country, and they have partially told the story of what went on. Is there anyone who will deny the truth of the statement that instead of bringing freedom, "the communist liberation army brought abject slavery, utter misery and terrifying fear".

I am referring to an article by Father Craig Strang of the St. Francis Xavier mission, Scarboro Bluffs, a Newfoundlander who was a prisoner in communist China for several years, and who has only recently been released and returned to his home. He has written an article entitled "Journey Into Freedom." He is not the only one who has come back from there telling terrible tales

of the cruelty that has taken place since the communist regime assumed power in China.

It was amusing to listen to the hon. member for Cariboo (Mr. Murray) today making the statement that the Chinese are great lovers of the land, and how they are going to outlast all the peoples of the earth—that is, they and the French Canadians. Well, I can believe that about the French Canadians, whom I very much admire. I could believe it, too, about the Chinese under a peaceful regime, but not under anything that has taken place since the communists took over. True, the Chinese are lovers of the land. They are peasants, and like peasants everywhere they love the land. But the communists are going to do in China what they did in Russia. They will take the land from the Chinese and divide it into big plots, and in that event the Chinese will just be labourers with no interest in that land. The produce from the land will go principally to the state. So really my hon. friend has not appreciated what has taken place in China.

But to refer back to the article by Father Strang, he tells how the communist army came into Lishui, where he was stationed. They borrowed the furniture and vehicles, although they never returned them. They borrowed the churches for meeting halls, and the priests were never allowed to return to those churches again. The saying of mass was forbidden, and all church services were prohibited. Priests and nuns were kept as prisoners for years, and had to live on very small rations.

I am sorry that the hon. member for Winnipeg North Centre (Mr. Knowles), acting leader of the C.C.F., is not here at the moment to hear what I have to say. Certainly my friends to my left overlook the policy of the communists. It was not the intention of the communists merely to win the war in Korea. That is only a trifling thing, so far as they are concerned, only a means to an end. Out beyond Korea there is a place called Japan, with 80 million people. That is the prize the Russians have in their minds, and the Secretary of State for External Affairs (Mr. Pearson) knows it. That is what they are aiming at. And if they once got hold of Japan it is worth all the rest of Asia to them, because of its tremendous industrial potential and the high intelligence and ability of the Japanese.

If they had control of Japan, as the Americans had, we would see a very different story today. The Americans went in there as peace-loving people to help Japan reorganize on a democratic basis, and to let her be free and independent so that she might take a new place in the democratic world. If Russia had gone in there it would have been for only one purpose, to foster the idea of speedy world domination.

My hon. friends to my left are neglecting that fact. The communists in China are part of that scheme. Father Strang says that while he was waiting for his train in Hangchow there was a peace delegation going to Tibet. They were waving flags and Russian banners, and singing Chinese and Russian communist songs. And at every demonstration where pictures have been taken we see pictures of Stalin side by side with those of Mao Tse-tung. That man was trained in Moscow; Stalin was his best friend. He would not be where he is today but for Stalin. Chiang Kai-shek had driven him out of China, up into Sinkiang, a small corner of China, where he had only a few thousand troops. The Russians helped him. They armed him with Japanese equipment and ammunition. They built up his people's army into an army of two million men, and helped him and backed him in every way to defeat Chiang Kai-shek.

Yesterday the hon. member for Vancouver East (Mr. MacInnis) made reference to the assistance the Americans had given to Chiang Kai-shek. That is very questionable. I do not want to debate the subject now, but I have talked about it before. However, it is not true that Chiang Kai-shek had every assistance from the United States government. That government did not know where it was at the time, because it had so many spies in its midst, such men as Alger Hiss, to whom the hon. member for Macleod (Mr. Hansell) referred. There were men of that kind in the state department, and discord in the United States government in regard to the aid that should be given to Chiang Kai-shek. But if some people in the United States government had had their way the communists would have gone to Formosa, and United States, United Kingdom and commonwealth interests would have been in greater jeopardy than they are today, because Chiang Kai-shek is still on Formosa. After all, his ideas are similar to ours.

An hon. Member: No.

Mr. Browne (St. John's West): Yes. You cannot condemn all the things Chiang Kai-shek has done, because he has done some good things. As I was about to say, he permitted Christian churches to function there; but they cannot function today in China. Perhaps my hon. friend does not

think that is good. He permitted missionaries to go through the country, and I think they did some good.

The hon. member for Winnipeg North Centre, to whom I enjoy listening very much, because he is a fine speaker and forthright in his opinions, said today that we should speak plainly. Well, are we the only ones who are going to be allowed to speak plainly? Can Mr. Dulles speak plainly? Can he say what is in his mind? Is he to be extended the same privilege in that respect that is extended to the hon. member for Winnipeg North Centre? Perhaps the hon. member was referring to the Secretary of State for External Affairs, because he was at great pains to say that the minister was not speaking plainly yesterday, or as plainly as he spoke a week ago when he referred to the deneutralization of Formosa.

Why should not Mr. Dulles speak out plainly? Consider the contribution the United States government has made to world peace and the rehabilitation of Europe. When we hear that Germany's production today is higher than it was in 1939, and when we hear that France's production is higher than it was in 1939, and that Italy is coming along, and that all those other countries are making headway, we must not forget that it was done through funds supplied by the United States. It was for that reason the increase in production was made possible.

It is very fortunate indeed for Europe that there was in the United States a government interested in the rehabilitation of those countries. And what was it done for? The workingman in the United States, the teacher, the professional man—everybody is making a contribution. The Minister of Finance (Mr. Abbott) reminds us here frequently that they pay higher income taxes over there because the exemptions are lower than they are in Canada. The people in that country are paying those heavy taxes to save the world.

I know, and I am sure the hon. member for Winnipeg North Centre must know, the valuable contributions we in Canada are getting from the United States. We can talk so boldly here in the House of Commons, but we would not talk half as boldly if we did not have the United States at our back. They are building big air bases in Newfoundland, at Goose Bay and in Greenland to protect us as well as themselves. We are getting the benefit of that. It is a wonderful thing that we are allies with them.

I should like the Secretary of State for External Affairs (Mr. Pearson) to say who should decide in a coalition. President Eisenhower is elected and has to make an inaugural speech. What is he going to do? Is he going to come over here to consult the Secretary of State for External Affairs about what his policy should be? What would the people who returned him to office say if anything of that kind happened?

That is not enough, mark you. Should he go to all the countries of the North Atlantic Treaty Organization and ask each one what he should do? Should he go to all the countries of the commonwealth to learn what he should do? No. He has laid down the policy his government is going to follow, and I think it is a good thing that we have a man with such experience in military matters, at the head of affairs in the United States today.

I know my friends on the left do not approve of military men in important positions, and I feel quite sure they do not approve of General Eisenhower. We have to remember that the government of Russia is following ideas for world domination developed by Lenin and Marx. This is a revolution which they want to spread over the whole world. They feel they have a messianic work to do. They want to conquer the whole wide world. Nobody else can live on the earth and have an idea except the Russians. Nobody is allowed to have any other ideas in countries dominated by Russia today. You cannot go and preach social credit in Poland or Czechoslovakia.

Mr. Wright: Is my hon. friend trying to say that any member of this group agrees with Stalin or his internationalist policy? If so, I think he has not listened to the speeches we have made.

Mr. Browne (St. John's West): I have not heard you say much against them.

Mr. Wright: I do not know how anybody could say any more against them than the hon. member for Vancouver East (Mr. MacInnis) did.

Mr. Browne (St. John's West): I do not agree altogether with what the hon. member is saying now. I know he has said a lot more against Chiang Kai-shek than he has against Mao Tse-tung.

Mr. Blackmore: Mr. Speaker, I wonder if the hon. member would permit a question. When he means the C.C.F. would he mind saying the C.C.F., because the Social Crediters are on his left, too. We certainly do not want to be put in the same category as the C.C.F.

Mr. Browne (St. John's West): I do not think anyone would associate the two parties.

An hon. Member: Further left.

Mr. Blackmore: People reading *Hansard* do not know whom the hon. member means when he refers to his friends on the left.

Mr. Browne (St. John's West): I shall remember that in future.

Mr. Blackmore: Thank you very much.

Mr. Browne (St. John's West): We had a beautiful speech from the hon. member for Cochrane (Mr. Bradette) about his trip. I am delighted to see that so many members on the government side of the house are getting these trips to foreign countries and are improving their knowledge as they are doing. It was a very interesting account. I was not here when he spoke, but I read his speech and it was very interesting. I am glad to know he is so optimistic about conditions in the Middle East, but I wonder what he has to say about the news in the press today that Soviet Russia has broken off diplomatic relations with Israel. What is his opinion on that? I am sorry he cannot give us the answer at this time.

However, I think we can point out that there is a feud between the Arab states and Israel. Which side are we on? Are we with the Arab states or are we with Israel? During the past month or so Soviet Russia has left no doubt where it stands because of its persecution of the Jews, even to the extent of arresting nine Jewish doctors in Russia and accusing them of having poisoned leaders of the Soviet government. Then there is the persecution of Jews in the satellite countries, and now we have the breaking of diplomatic relations. There is a feud between the Arab nations and Israel and Russia hopes to profit thereby and gain the support of the Moslem world.

I do not know where we are going to get support in the Moslem world. From the accounts I get the English do not seem to be popular there. They have to get out, and the Americans do not seem to be popular although they are there with the best of intentions. Spain, which has been despised as a nation, seems to get along very much better with them than anybody else, because a Spanish mission has just completed a tour of the Arab countries and has made agreements with them. I wish we could do the same.

Then there is the story of the persecution in China to which I referred, and of course in the remarks I was making I could not give anything like a full representation of what has been going on over there. But I am sure we have all read the accounts of the terrible trials of our missionaries, the sisters and the priests who have gone from this country. That has been repeated in those countries of Europe that have become Soviet satellites, in Poland, in Czechoslovakia, in Hungary, with Cardinal Mindszenty in jail. I suppose everybody received a copy of the *Ensign* today in which reference is made to a speech that the ambassador from Yugoslavia made in Vancouver, wherein he said there is perfect freedom of worship and religion in Yugoslavia. He was taken to task for this by Archbishop Duke of Vancouver. He replied to Archbishop Duke and said that the government of Yugoslavia was giving money to theological colleges in that country. I have here the *Tablet*, which is a Catholic paper published in London. The issues of January 24 and January 31 contain a letter which the bishops of Yugoslavia addressed to Tito, the president of that country, in September. In it they said amongst other things:

> The freedom of conscience and religion to which the constitution . . . refers is in practice reduced to partial freedom of worship or . . . the freedom of religious rites. We say partial, because the freedom of worship is in some respects limited to such an extent as de facto means the negation of genuine religious freedom.
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> The churches are, it is true, still open, although some of them . . . have been used as storehouses for wheat or agricultural machinery. The monumental church of St. Joseph at Ljubljana has been transformed into a film studio, while the ancient Church of the Crusaders, also at Ljubljana, a real gem of ecclesiastical art, was taken from the Catholics and simply, without consultation, given to the Old-Catholic sect—which, incidentally, at Ljubljana, lacks almost any adherents.
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> Very many roadside crosses and paintings have been destroyed . . . The large and beautiful church of the Holy Redeemer at Rijeka was mined overnight and destroyed at the beginning of November 1949, although it stood in the very centre of the town. The Church of the Carmelite Sisters at Selo at Ljubljana was destroyed, and without any reason the beautiful chapel Salita al Calvario, on the island of Krk, was demolished. . . . Many public oratories . . . have been closed down by force.
>
> The record books of the born, dead and married were taken away from the church authorities even in 1946 . . . Processions are . . . forbidden . . . The freedom of preaching is also endangered . . . Priests are not allowed to give religious instruction in schools, presbyteries and other ecclesiastical premises. . . . Many churches are not allowed in any way to collect ecclesiastical alms . . . The arrest of the priests goes on. . . . There are still in Yugoslav state prisons more than 200 priests . . .
>
> Physical attacks on the priest are not rare. During the last seven years about 80 priests have been killed by ambush . . . The state authorities . . . ignore the church . . .

—wherever they can.

> There is, finally, the very painful question of the official atheistic course in the schools and in the whole public life of . . .

—the state.

> Atheism is the religion of the regime . . . These proofs of lack of religious freedom . . . must be added the old ones, already stated in the memoranda of the hierarchy from former years. Among

them is to be mentioned the liquidation of the whole of the Catholic schools in the territory of the . . .

—state. Now, that is Yugoslavia. And its ambassador has been going around in Vancouver stating that there is full and complete freedom of religion and worship in that country. The *Ensign* in its editorial draws attention to this and also to the fact that the Polish diplomatic mission here in Ottawa has been circulating an attack upon a priest.

The Yugoslav ambassador is reported as having passed disparaging reports about Archbishop Stepinac. In this country where almost 50 per cent of the population is Catholic I think that sort of thing is very offensive, and that these gentlemen in the diplomatic fraternity should not be using language of that kind. Only tonight I read in the paper that the Polish government has decreed that no appointments or changes in posts of the hierarchy can be made without the consent of the state. The state's consent is necessary for the establishment, transformation or abolition of posts in the hierarchy as well as for any changes in the scope of their activities. Now, these men coming from satellite states of Russia where atheism is the official religion of the state—

Mr. Pearson: May I ask a question? Is the hon. member suggesting that Yugoslavia is a Russian satellite state?

Mr. Browne (St. John's West): No, it would be incorrect to say that. I know that Yugoslavia is no longer a satellite state but Poland is. Yugoslavia still has the same ideas about atheistic communism that Russia has, and I think representations ought to be made by someone in the Department of External Affairs to those gentlemen to the effect that such conduct on their part is not desirable and should cease. Personally I want to protest against the actions of these men in using language such as they do and casting reflections upon men whom we honour so highly.

Mr. Speaker, I have come to the conclusion of the remarks I had to make, but I wish to make one reference to the fine speech we heard this evening from the hon. member for Winnipeg South Centre (Mr. Churchill). He drew attention once again to a recommendation which has been frequently made, and on which Canada should have something to say. It is the idea of training South Koreans. I do not see why we should not invite some of the South Koreans to come to Canada for training in some direction or other in order to take their position in the line. They want to do so, they say. They have the men. The population of South Korea is greater than that of Canada, being some 20 million people. The United States government believes that in a year or two they can train sufficient men to take over the whole line. I believe that the bulk of the fighting at the present time is begin borne by the South Koreans, and I think the hon. member for Vancouver East (Mr. MacInnis) said that very same thing. I believe that, together with the United States, Canada should have something to do with the training of those men.

There has been a stalemate until now, and there was need for a new attitude toward the Korean war. I believe that what has been done by the United States government up to the present will have a good effect, and not the evil one which our nearest neighbours on the left feel it will have.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I was one who had the privilege of attending the United Nations general assembly as a parliamentary observer, and I feel I should say a few words at this time.

It is a common practice at the present time to have parliamentary delegates from all parties attending and observing the proceedings of the United Nations. I believe that is a good and democratic practice. The British North America Act, drawn up as it was during the nineteenth century, did not anticipate such a world organization or parliament and therefore made no provision for Canadian representatives at such a forum. I am sure that if it had, it would have set out in its terms a provision that our system of responsible government should be maintained and that the delegates represented on the various committees would be members of parliament of the party in power, directly responsible to the existing government.

It was the practice in the first few years of the United Nations to have representatives of the official opposition, I believe, act as representatives with a voice and a vote in the various committees. It is self-evident that this practice is contrary to our system and could lead to some difficulties by having our delegation perhaps committed to a course that would not be in conformity with the policy of the government. The more realistic practice of sending parliamentary observers to take part and assist in forming policy in the Canadian caucus is a correct one, I feel, and it should be continued. While not actually dictating policy, Her Majesty's loyal opposition is thereby given its rightful opportunity to present its views on foreign policy and to report to the House of Commons upon their return.

I am somewhat at a loss to understand why, with my limited capabilities, more particularly in the field of foreign relations, I

was chosen to attend the United Nations. I suspect that it was because the Prime Minister knows of my early associations and public life prior to coming here, when I was associated almost entirely with the cause of labour. The government, I am sure, realizes the important position which organized labour holds today in our democracy and in our foreign relations. As a group they far outnumber any other class. Labour stands to suffer most in the event of a third world war, with all its horrors and the possible destruction of our entire civilization.

I wish to confine my remarks, however, to a few general observations, and in particular perhaps to my impression of the department as gained by my close association with the personnel during my stay in New York. I feel that the personnel serving the department have been excellent. It is my candid opinion that there is no better diplomatic representation anywhere; and when one considers the weight of its influence and reflects that it comes from a nation of less than 15 million people, I feel that is something of which we may be justly proud. When the Secretary of State for External Affairs (Mr. Pearson) was raised to the high and honourable position of president of the general assembly, the Minister of National Health and Welfare (Mr. Martin) succeeded him as leader of the Canadian delegation. His voice was heard with respect and admiration in all debates of importance. Indeed the Indian resolution designed to bring about a cease-fire in Korea was patterned on his statement in the general debate in the ad hoc committee on this particular question.

Further proof of the expertness of Canadian diplomacy can be gained, perhaps, by reading a quotation from the London *Economist* which sets out in clear terms the way I personally feel about our diplomatic staff and its leadership. The article reads:

> If it is permissible to generalize about the diplomatic service of any country, it is probably true to say that the representatives of Canada exercise an influence and enjoy a prestige out of all reasonable proportion to the size of their country or the power which it can wield. One reason lies no doubt, in Canada's economic strength and future promise. Another lies in its peculiarly favourable position as a neighbour of the United States, sharing some of the influence yet exempt from all the suspicions which inevitably gather round the leader of a large alliance. But, when all this is said, a more important reason lies in the personal quality of the men themselves.

I have noted with no little satisfaction that recent press statements have suggested that the Canadian Secretary of State for External Affairs may be offered the post of secretary general of the United Nations to replace Trygve Lie, whose resignation is now pending. Should the security council reach such a decision, the United Nations would be taking a rather giant stride towards bringing about universal co-operation. The loss of such a statesman to the Canadian people would mean a considerable sacrifice, yet it would not be too high a price to pay in furthering the cause of world peace.

Having said that, Mr. Speaker, I would be inclined to feel that the criticism of the hon. member for York West (Mr. Adamson) last evening was not entirely justified. While we are now enjoying great prestige among world powers, I think it is somewhat unfair to say that if the rank and file of Canadian people feel that they should criticize some of the policies of the United States they are "yapping dogs continuously barking at everything the United States does". It is not quite fair, in my opinion, to go so far in our condemnation of the United States as did the hon. member for Peace River (Mr. Low) in his address on February 12. On page 1881 of *Hansard* for that date we find the following:

> But, Mr. Speaker, when the full history of these times is written, when all the facts have been brought to light, there will be many people who will say that the past two presidents of the United States have been the great betrayers of humanity.

Mr. Low: Just read the rest of it.

Mr. Byrne: Yes, I shall read the rest of it:

> To be charitable, as I ought to be, I will say that some of those decisions made at Yalta and Potsdam, some of the secret understandings and agreements that were had with Stalin . . .

I should like to remind the house that Right Hon. Winston Churchill was present at Yalta and Potsdam. Are these men, who led us to victory during the last great war, now to be called the betrayers of humanity? I think, Mr. Speaker, that is going far beyond—

Mr. Low: I did not say that.

Mr. Byrne: —what should be expected from a Canadian representative in this House of Commons. I took the trouble of looking up in the dictionary the meaning of "betray". It means to deliver into the hands of the enemy by treachery or fraud; to seduce.

In the past this debate has been conducted on a very high plane, and I had hoped that it would continue on that high plane. I am sure that was the wish of everyone in the house, but when people go about delivering these veiled criticisms of great men, and when we hear them go out in the country and make speeches and write articles such as the one by the member for Macleod read in the house tonight by the hon. member for Provencher (Mr. Jutras), then I am sure we can no longer expect this debate to remain on such a high plane.

Business of the House

I have made considerable preparation for this speech, and there are a number of other things with which I wish to deal, such as the policy Canada should follow today and some of the issues that are before the United Nations. Since it is now ten o'clock, I would move the adjournment of the debate.

On motion of Mr. Byrne the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday we shall move to set up the special committee to examine into the operations of the government in the field of atomic energy; then the resolution of the Minister of Resources and Development respecting the amendment of the Yukon Act; Bill No. 48, respecting food, drugs, cosmetics and so forth; Bill No. 110, establishing the historic sites and monuments board of Canada; Bill No. 109, to authorize grants of assistance to provinces for the conservation of water resources; Bill No. 46, to amend the Merchant Seamen Compensation Act. We may have time to consider Bills Nos. 38 and 39.

Mr. Graydon: Has the government any idea when we will go on with the debate on the motion to refer the estimates of the Department of External Affairs to the committee?

Mr. Fournier (Hull): I would have to consult with my colleagues, because the Secretary of State for External Affairs will be absent for some time. I suppose he would like to listen to the interesting speeches of the other members of the house.

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

HOUSE OF COMMONS

Monday, February 16, 1953

The house met at 2.30 p.m.

HOUSE OF COMMONS

RETURN OF HON. MEMBER FOR ROSETOWN-BIGGAR

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, as a matter of privilege, I am sure you yourself and all hon. members of the house, no matter where they sit, are delighted to welcome back to the house the hon. member for Rosetown-Biggar (Mr. Coldwell). We all hope that his recovery makes him as well as he looks at this time and that he will long continue to be as well as he looks.

CONGRATULATIONS TO HON. MEMBER FOR FORT WILLIAM ON BIRTHDAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it has been called to my attention that I omitted to mention that our venerable valentine, the dean in age of the House of Commons, celebrated his birthday on Saturday, St. Valentine's day. I am sure we all desire to express to the hon. member for Fort William (Mr. McIvor) our wish that he may be the recipient of many more happy returns of St. Valentine's day and his birthday.

FLOODS

REPORT ON ORGANIZATION OF COMMITTEE ON EUROPEAN RELIEF

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it might be of interest to hon. members of the house to inform them—they have no doubt learned of it through the newspapers—that the organization meeting of the Canadian national European flood relief committee was held at Government House on Friday afternoon under the chairmanship of His Excellency the Governor General. As hon. members know, that committee comprises the Prime Minister, the Leader of the Opposition, four other members of this house and the two lady members of the other house of parliament. Every one of the ten provincial premiers has welcomed the opportunity of serving on the committee, and the campaign has their warm support. It is being started today in all ten Canadian provinces but the national committee does not intend to organize the campaigns locally. It is counting upon the welfare or service clubs in the various localities to set up their local organizations. But in handling a matter of that character, it is very important that there be co-ordination and that only the supplies that are really needed are sent forward and that they are sent to the places where they are most urgently needed. The Red Cross has its officials in Europe now, and the offices of the high commissioner in London and the embassies at The Hague and at Brussels are in close touch with the government relief agencies of these three countries, as well as in close touch with the officials of the Canadian Red Cross. Miss Margaret Wilson, executive secretary, is at present in London and Colonel Walter Reynolds, national director of disaster services, is still at The Hague. These officials are keeping in very close touch with what the local relief organizations are doing.

The high commissioner's office and the two embassies are making cable facilities available to these representatives of the Red Cross so that they can make daily reports to the central organization here in Canada to be sure that the right kind of supplies will be provided, to the extent to which that can be done from Canada, and that they will be provided in the places where they are most urgently required. It would seem that the immediate urgent requirements for food or medical supplies or even for large amounts of clothing have been met, and that the big problem will be the permanent or semi-permanent rehabilitation of the very large numbers who have suffered so severely from this flood disaster.

I think that through the activities of the Red Cross, and the assistance they are thus getting overseas, we will be kept well informed as to what will comply with that resolution adopted unanimously by the House of Commons the other day to give concrete examples of our sympathy in the most helpful way possible.

EDUCATION

REFERENCE TO STATEMENT BY PRIME MINISTER CONCERNING SCHOLARSHIPS

Mr. George A. Drew (Leader of the Opposition): Perhaps this would be the appropriate place in the proceedings to raise a matter that came to my attention through a

report in the Ottawa *Citizen* of Saturday, February 14. In that issue of the *Citizen* there is a report of a visit the previous day by representatives of the national executive of the National Federation of University Students. The Prime Minister (Mr. St. Laurent) is reported as informing them, and I quote:

> The Prime Minister said he had been attempting since last fall to set up a Canadian committee to administer such scholarships, but had failed in the attempt.

The reference is to a request that was made that the government implement certain recommendations of the Massey report in regard to scholarships. The reply given to the student representatives indicates that the government has reached some decision. Since this is a subject in regard to which hon. members in every part of the house are interested and upon which they have been receiving representations, I would ask the Prime Minister whether he could tell the house what the decision is that the government has reached, and also indicate the nature of the difficulties to which he has referred.

Right Hon. L. S. St. Laurent (Prime Minister): I am afraid that that report in the *Citizen* is rather more than second hand; it must be third or fourth hand, because it is not an accurate report of what transpired. I assured these young people that I had always had a great interest in university work, and that though for something over eleven years now my active connection with universities had not been as intimate as it was before, I was still very much interested. I said that personally I felt we had had an illustration, in the success of the veterans who got university training after the last war, that anything that was expended in that way was a national investment and brought returns even to the Canadian treasury.

I informed them that I had been concerned about this part of the Massey report, and I have been endeavouring to make such inquiries as would have enabled me to make a recommendation to my colleagues about the set-up of a Canadian council. Unfortunately, those I had approached for that purpose had found that they could not at the present time fall in with our plans, and I have not yet been able to co-ordinate in my own mind the kind of thing I could recommend to my colleagues. I felt that that was something that would necessarily have to precede the establishment of a system of scholarships, because I thought a system of scholarships would have to be administered by the kind of organization that would be quite divorced from any suggestion of political patronage.

I told them that I realized that their generation of students was advancing, and that they were very anxious to have it done at the earliest possible moment. I had found, however, it had not been possible for me to co-ordinate anything that I could put before my colleagues for implementation during this session of parliament.

Mr. Drew: In view of the statement which the Prime Minister (Mr. St. Laurent) has made, might I suggest that there are meetings of representatives of the universities before which a suggestion of this kind could be placed and doubtless recommendations made that would be acceptable to those universities, without any of the difficulties to which the Prime Minister has referred.

Mr. St. Laurent: I had some experience last year, Mr. Speaker, with the recommendations made by the university council about the grants to universities. A solution was found for last year, but we were informed that it was only for one year that that solution was being accepted. It has not been possible as yet to find a solution acceptable for this year. These are matters in which the hon. gentleman and I, and every other hon. member in the house, are deeply concerned. But we are also deeply concerned with avoiding the doing of anything to countenance this suggestion that we are trying to inject ourselves into the domain of education. No one wants to do that. Everyone wants to leave that responsibility of the provincial administration as the fathers of confederation intended it should be.

It is not easy to do anything at all that does have a bearing upon the educational problem without there being misgivings in many quarters. I hope that will not always be so, and I hope that as it was possible to find a solution last year it will be possible to find a solution this year and that those solutions, one after the other, may establish a precedent that will allow these desirable things to be done without there being additional misgivings about interference by the central government with matters of provincial jurisdiction and responsibility.

Mr. Drew: I do not wish to extend this matter beyond this point, but I want to make the observation that the granting of scholarships is, of course, different from the granting of financial assistance direct to the universities. There are scholarships now being awarded in certain connections by agencies of the dominion government. I understood the recommendation was that these should be extended, and that does not bring the government in direct contact with the administration of any university.

Mr. R. R. Knight (Saskatoon): Might I ask a supplementary question?

Some hon. Members: Order, order.

Mr. Knight: I too have my rights in asking questions. In view of the question asked by myself as reported at page 1729 of *Hansard* and the answer given at that time by the Minister of Public Works (Mr. Fournier), that the government is continuing to study the recommendation on scholarships, I would ask the Prime Minister (Mr. St. Laurent) whether consideration has been given by the government to this matter as a whole as well as the consideration which he himself says he has given to it.

Mr. St. Laurent: Mr. Speaker I have not found it possible to bring to my colleagues for decision a recommendation on the subject.

QUESTIONS

KOREA—AMMUNITION—CASUALTIES

Mr. Churchill:

1. What is the total number of rounds of ammunition expended by the 25th brigade while in Korea to 30th November, 1952, under the headings (a) high explosive shells; (b) mortar shells; (c) small arms?

2. What have been the casualties of each unit that has served or is now serving with the 25th brigade in Korea to 30th November, 1952, expressed in the categories (a) killed; (b) wounded; (c) missing; (d) injured in action; (e) captured?

Mr. Claxton: Mr. Speaker, for reasons which I have given to the hon. member who asked the question, I would ask if he would consent to drop it.

Mr. Speaker: Dropped.

KOREA—CENSORSHIP OF PRESS DISPATCHES

Mr. Churchill:

1. Are press dispatches from Korea subject to censorship? If so, by whom?

2. Do security regulations permit press dispatches to name the units being sent to or brought from Korea prior to sailing or arrival dates?

3. Do security regulations permit press dispatches to designate the months in which rotation of units in Korea will take place?

Mr. Campney:

1. Yes. All press dispatches from Korea are passed through the joint press censorship group of the United Nations and Far Eastern commands.

2 and 3. Generally no release is approved until after a move has taken place in order to avoid publication of information which might aid the enemy. However, if a projected move is to take place some time in the future and exact dates are not mentioned, the censorship group may permit such reference if operational headquarters in Korea are of the opinion that there is no risk to security involved.

HEALTH INSURANCE—SPEECH BY MINISTER OF FISHERIES

Mr. Knowles:

1. Did the Minister of Fisheries make a speech at Nelson, British Columbia, on Thursday, January 15, 1953, as reported in the Nelson *Daily News* of January 17, 1953?

2. If so, did the Minister of Fisheries indicate at that time that an announcement respecting national health insurance would be made at this session of parliament, as reported in the said newspaper?

3. When will the said announcement respecting national health insurance be made?

Mr. Bradley:

1. Yes.

2. No.

3. Whenever an announcement regarding government policy is made it is always made by the government at a time chosen by the government.

*R.C.A.F—FIRST CF-100 SQUADRON

Mr. Fulton:

1. When is it expected that the first Royal Canadian Air Force squadron will be fully equipped with CF-100 aircraft?

2. How many CF-100's will this squadron have?

3. Where will it be stationed?

4. How far behind original schedule will the final deliveries to this squadron be?

CF-100 AIRCRAFT—RE-ENGINEERING

Mr. Fulton:

1. Were any major defect or defects, omissions or oversights discovered in the course of production of the CF-100 which necessitated major re-engineering?

2. If so, what was their nature and what changes were made necessary?

3. What was the additional cost occasioned by such re-engineering?

4. By what length of time were final production and delivery schedules delayed as a result?

5. Who was responsible in the defence production department or defence department for the ordering of equipment later decided to be unsuitable or defective?

CF-100 AIRCRAFT—DESIGN AND PRODUCTION

Mr. Fulton:

1. How many marks of the CF-100 have been designed? What are their numbers?

2. Have any been rejected as unsatisfactory? If so, which ones?

3. How many of each have been produced?

4. Which one is intended to be the production model for general use by the Royal Canadian Air Force?

5. When will this one be in quantity production?

6. In what respects will the latest mark be superior to the mark now in production?

**For answer to this question, see pages 2051-52.*

Questions

ORENDA ENGINE—DESIGN AND PRODUCTION

Mr. Fulton:

1. How many marks or models of the Orenda engine have been designed? What are their numbers or other differentiating designations?
2. Have any been rejected as unsatisfactory? If so, which ones?
3. How many of each have been produced?
4. Which one is intended to be the production model for general use by the Royal Canadian Air Force?
5. When will this one be in quantity production?
6. In what respect will the latest mark or model be superior to the model now in production?
7. What is the static thrust figure for the model of the Orenda engine in current production?

R.C.A.F.—NEW FIGHTER PLANE

Mr. Fulton:

1. Have plans been made or are plans being considered for the design and production in Canada of a new type of fighter plane for the Royal Canadian Air Force as an eventual replacement for the CF-100?
2. If so, who is to design and produce this new aircraft?
3. What is estimated to be the cost of design and production?
4. If no firm estimate can be given, what is the maximum amount which the government considers it may be necessary to make provision for before the program is complete?

Mr. Howe: Mr. Speaker, the hon. member for Kamloops (Mr. Fulton) has on the order paper four questions which actually consist of 22 separate queries and which refer to the A.V. Roe program. This program has also been recently referred to in the house by the hon. member for York West (Mr. Adamson) and the hon. member for York South (Mr. Noseworthy). I believe that I can make one statement which will answer these and any similar questions, and at the same time clarify the situation which exists at A.V. Roe.

After A.V. Roe established in Canada on December 1, 1945, the company was given the primary task of developing a long-range, all-weather interceptor and turbo-jet engine for the R.C.A.F. They were also asked to develop a jet transport plane, overhaul and modify world war II Lancasters, and in addition were given a number of lesser projects.

Gas Turbine Development

In November, 1945, Turbo Research Limited, a crown company, was authorized to proceed with the design and construction of the TR-3 Chinook. Detail design of this power plant was under way when the assets of Turbo Research Limited were transferred to A.V. Roe Canada Limited in 1946. The Chinook was originally intended as the power plant for a R.C.A.F. fighter. Changed requirements produced the specification for the Orenda.

The Chinook, a 2,900 pound thrust machine, was completed to provide experience in design, development and manufacturing problems. The Orenda specification called for an engine of 6,500 pound thrust, equal to that of the largest engines then in design in the United States and the United Kingdom.

The Orenda first ran in February, 1949, thirty months from commencement of design. The gas turbine staff was then about 800, and expenditures on the Orenda project to the end of March, 1949, amounted to $3,917,-900. With the running of the first engine, the development phase commenced. This has extended over four years, and five distinguishable versions of the engine have now passed the development phase. These are:

Series 1—Original design.

Series 2—Modification to permit three point suspension system, to increase strength, reduce weight, and make fuselage installations easier.

Series 8—Modified compressor to improve acceleration characteristics.

Series 9—Version for CF-100 Mark 4.

Series 10—Version for F-86.

All of these engines are in the 6,000-6,500 pound thrust category. In addition, the series 11 engine (7,500 pound thrust) has run in lash-up form, and the basic scheming on the series 12 engine, with a further increase in thrust is complete.

The $30,274,199 spent on the Orenda over the last four years is described as a development expense. In fact, however, all engineering expenses, some of which would have been charged to production, have been carried on this contract. The expenditures have supported an engineering department large enough to carry out the production activities, produce the variants of the basic engine described above, and work on certain more advanced developments. Finally, engineering expenses include the operation of the experimental or model shop, and also the Nobel facility, a laboratory which carries out research and development of turbines, compressors, and combustion systems.

The Orenda engine series 11 will be superior to the present production versions of engines designed for similar purposes in other countries. We are satisfied that the Orenda series 12 engine will meet our requirements for some years, and be competitive with foreign engines.

Gas Turbine Production

The prototype Orenda first ran in February, 1949. At December 31, 1952, expenditures on tooling were $15,029,350. This figure covers preproduction and production tooling for all series of the engine.

Total expenditures on production have now reached $38,785,500, with $17,839,300 representing the value of engines delivered, $20,946,300 the value of engines in final assembly, parts completed and in process, progress payments to suppliers, materials inventory and mill supplies. For this expenditure, 96 engines were delivered at December 31, 1952.

The first twelve Orendas were produced in the development shop, on limited tooling, to supply urgently needed engines for early aircraft. In addition, the two changes of engine production location, first from the experimental shop to the pilot line in the aircraft plant and then to the new engine plant, have had an adverse effect on costs.

The construction of the engine plant was authorized in October, 1950. An eight-month delay in completion of the plant proper resulted from the shortage of steel at that time. In March, 1952, only 10 per cent of the machine tools were installed. The plant can scarcely be considered to have begun operations before June, 1952, when 60 per cent of the machine tools were installed, while the assembly shops were not moved until July, 1952, and heat treating facilities until November of last year. Under these circumstances, and considering the problems of setting up subcontractors' facilities, the performance has been good.

The Orenda series 2 was the first production engine. This passed its type test in February, 1952, and is now out of production. The series 8 and series 10 passed their type tests in January of this year and these are the engines presently in production. The series 9 is to be introduced during the summer of 1953.

Airframe Development

In October, 1946, a contract was executed with A. V. Roe for the design and construction of two prototypes of the CF-100, plus one static test airframe. In January, 1950, the first prototype flew. This was a Mark 1 aeroplane, fitted with Rolls-Royce Avons. Cumulative expenditures to March 31, 1950, were $5,131,754.68.

To the present, cumulative expenditures on development of the airframe have amounted to $11,784,400, an increase of $6,652,646 since March, 1950. Variants of the aeroplane obtained for this expenditure are:

(1) CF-100 Mark 2—powered by Orenda series 1; no armament.

(2) CF-100 Mark 3—powered by the Orenda series 2 and series 8, and armed with eight 50 calibre machine guns and APG 33 radar.

Questions

(3) CF-100 Mark 4—powered by the Orenda series 9 and armed with 50 calibre machine guns, air to air rockets, and APG 40 radar.

The development of the Mark 4 control system for firing the armament is not yet completed.

I have already mentioned two of the differences between these four marks of the CF-100. One is the different series of engines and the other is the different weapon systems. Externally, all Marks are similar. The structure has undergone considerable development, beginning with the first static test in March, 1950. It is expected that the final proving of the structure to Mark 4 loads will be complete in March, 1953. This long time results from the growth of all-up weight (about 50 per cent), as well as from deficiencies in the original design. In addition, systems have been altered: for example, the control system has been changed to obtain improved flying qualities; hydraulic and electrical systems were altered as a result of increased demands and a desire to clean up the original design.

I have mentioned the deficiency in the original design, a subject that has been given a great deal of publicity. The facts were that in November, 1951, during R.C.A.F. proving flights, a failure developed in the ring connecting the fuselage to the front spar. This necessitated a redesign of this structure which has now been successfully accomplished. Vigorous rectification commenced with the reorganization of the engineering department, and progress since then has been good. No time has been lost on the delivery schedule of the Mark 4 (rocket firing) aircraft, as the delivery date of this aircraft is determined by the weapons system, which is being produced in the United States. The delay in the Mark 3 program amounted to 4 - 6 months. It is not possible to separate out the costs of this element of the CF-100 development program. The only other two seat fighters in the same class as the CF-100 have also suffered structural deficiencies which have caused serious delays.

Summarizing the CF-100 development, this aircraft appears to be superior to its only immediate competitor, although it is inevitable that in time it will be made obsolete by the introduction of improved jet bombers.

Airframe Production

In May, 1949, seven months before the flight of the first development prototype, a contract was issued for ten preproduction fighter aircraft. In June, 1951, the first of these aircraft flew, the last in October, 1952.

The first five of the aircraft were Mark 2, the next four were Mark 3, and the tenth was the Mark 4 weapons system prototype.

The first production order for the CF-100 was given in October, 1950. The first production aeroplane was delivered in November, 1952, 25 months from the placing of the contract. This length of time resulted primarily from the difficulties encountered with the structure of the aeroplane, to which I have already made reference. The Mark 3 aeroplane is now in production and 70 fighters of this mark, fitted with 50 calibre guns, will be produced. Volume production of the CF-100 Mark 4 will begin late this summer.

Tooling expenditures to the present have amounted to $15,882,450. Total production cost of the 16 aircraft delivered up to December 31, 1952, against the preproduction and production program, is divided as follows:

(1) Aircraft manufactured, $27,248,300.

(2) Mill supply inventory, raw material inventory, work in process, $25,788,800.

(3) Payments to subcontractors and supplies, $4,183,500.

(4) Ground handling equipment, maintenance tools, publications, etc., $2,582,400.

At the present time, there are approximately 14,000 persons employed at A.V. Roe, and it is not expected that this number will increase significantly during the course of the present program. Last summer there was some concern that there were more people on the A.V. Roe payroll than production warranted. I think probably that, to some extent, this was true. I am satisfied that this condition no longer exists. The under-utilization of the Avro labour force was the result of a number of factors:

(a) Hiring was done in advance of the work to be performed because many of the new employees required training on the job to fit them for full production work. At the same time, production in some cases did not get underway according to schedule, and, correctly anticipating a tight labour market, Avro was hesitant about letting these workers go.

(b) The very magnitude of the build-up in employment, required to meet production schedules, made it almost inevitable that some labour inefficiency would result. In 1952, for example, Avro hired some 9,000 new employees during a period when total employment showed a net increase of just over 6,000 workers. Now that intake can be slowed down substantially, greater emphasis can be placed on improved selection of workers, with a resulting increase in labour efficiency.

[Mr. Howe.]

(c) The physical problem involved in bringing a large amount of new plant into operation, and in transferring and rearranging machines and workers, caused some reduction in the efficiency of the labour force.

(d) The difficulties encountered in getting the CF-100 centre section redesigned and cleared for production resulted in less than optimum utilization of the labour force. This is no longer a problem.

In considering the A. V. Roe program, comparisons are often made with the F-86 program at Canadair. In making such comparisons, however, there are several factors that must be kept in mind.

1. The CF-100 is one of the biggest and heaviest fighter aircraft being produced today. It weighs approximately 17 tons. That is heavier than the 21 passenger DC-3 transport, and about two and a half times as heavy as a standard fighter such as the Sabre. If comparisons are to be made, this additional weight and the increased complexity must be kept in mind.

2. A. V. Roe has designed, developed, and is now producing both the airframe and engine. It is true that development costs have been heavy, but it must be remembered that in manufacturing a plane developed in another country, as we are doing at Canadair, we are faced with heavy licence fees that are in reality a payment which we are making to support the development staff of an aircraft company in another country.

3. We were able to give Canadair a sufficiently large order to permit them to set up an economic production line, which they have done with great efficiency and which will enable Canada to fill its NATO commitments in the time allotted. On the other hand, the CF-100 will be the basis of our home defence and we are most concerned that it does not become obsolescent too rapidly. Consequently, it has been our policy not to load the air force with the earlier marks of the CF-100, and to place a minimum order for the Mark 3 in order to await the Mark 4. We will place a heavier order for this aeroplane, thus permitting more efficient production at A. V. Roe.

There has been some recent speculation concerning fighters of advanced designs. This is a subject on which I can say very little without compromising military security. I can assure hon. members, however, that we are constantly studying new concepts and new designs. In doing so, we are anxious to examine designs which are available to us from other countries. However, we have what I consider a good design and development organization at A. V. Roe and, naturally, we will not overlook their talents.

During the period of "cold war" such as we are experiencing at the present time, it is a matter of serious concern to the R.C.A.F. to keep its equipment modern without retiring serviceable but obsolete aircraft. In war, this problem does not generally exist as the aircraft are consumed in service before they become obsolete. In peacetime, however, it is very difficult to keep the force modern without making frequent changes in the production line and producing relatively small numbers of different marks of aircraft. When the R.C.A.F. is up to strength in aircraft, it is our intention to then provide new aircraft at the attrition rate of those that are in the service. This will mean a small yearly volume of production, but obviously they must be of the latest possible types.

In conclusion, I am satisfied that our program at A. V. Roe is now in good shape. As a country inexperienced in aircraft design and development, it was natural that we should experience difficulties and delays which are, in fact, characteristic of the aeroplane business. It might have been expected that, in our case, delays would have been more protracted than those experienced in countries such as the United Kingdom and the United States, where they have not only a well established aircraft industry, but also the supporting industry which is so essential. Considering the Orenda program, A. V. Roe's record in getting into production compares well with that of other companies. This is a particularly outstanding achievement when one considers that, not only did we have to build the new plant at A. V. Roe, but also had to bring into being more than a dozen new industries that are producing in Canada, for the first time, technical components which will not only serve our aircraft industry but also our general economy. A. V. Roe's record on the CF-100, which is our first all-Canadian fighter, has been a credit to the company.

Mr. Fulton: Mr. Speaker, since it is unlikely that we will reach the orders of the day today, may I ask the minister two questions based upon the statement he has just given with respect to certain other questions I had asked. The first point is, that while the minister has given an answer to four questions, there were two other questions dealing with the same subject, but asking for additional information, and these were passed as orders for returns on January 28. I would express the hope that the minister will not regard this as a reply to those questions.

My second point is that the minister said that 70 Mark 3 CF-100's would be produced, but I did not hear any production target date for those 70. Can the minister say when those 70 will be produced?

Mr. Howe: The important date is the date upon which we will have the remaining information on the Mark 4. It is the intention to schedule the 70 Mark 3 aircraft so that there will be no interruption in manufacturing before going into Mark 4 aircraft. I cannot say what that date will be. There has been some delay. One American firm is designing the firing apparatus for all the rocket-firing aircraft. At the present time we are waiting for final approval of the mechanism before we can set a date for the production of the Mark 4. The result is that there is no hurry about finishing the Mark 3, because we do not want to have to shut the plant down until we get a chance to undertake the Mark 4.

Mr. Macdonnell (Greenwood): I did not understand the minister's apology that—

Mr. Howe: The minister never apologizes.

Mr. Macdonnell (Greenwood): I may have misunderstood, then. I thought he had made an apology. Can the minister give any indication as to the time for those 70 fighters of the Mark 3 type, or are they just going to mark time?

Mr. Howe: I just answered that question.

Mr. Macdonnell (Greenwood): No, the minister did not give any suggested time.

Mr. Howe: I am sure if my hon. friend will read *Hansard* he will find that I answered it fully.

Mr. Harkness: May I ask a further question? Did the figure the minister gave include any of the capital assistance which has been accorded this company and, if so, what is the amount of that capital assistance?

Mr. Howe: If my hon. friend will put that question on the order paper I will endeavour to get the information.

Mr. Speaker: Questions numbers 11, 12, 13, 14 and 15 answered.

Mr. Fulton: Not 15. The minister referred to number 14 only.

Mr. Speaker: Questions 11, 12, 13 and 14 answered by the minister's statement. Question number 15?

Mr. Howe: I think that is answered, also.

Mr. Fulton: Then number 11 should not be counted. Perhaps the minister counted

numbers 12, 13, 14 and 15, but not question 11. Surely it should be either questions 12, 13, 14 and 15 or questions 11, 12, 13 and 14.

Mr. Howe: In the first place, I gave all the information there is about the production of the Mark 4. I cannot answer the question as to whether the Royal Canadian Air Force will be equipped with CF-100 aircraft. That depends upon whether they are satisfied to adopt the Mark 3, or whether they wish to wait for the Mark 4.

Some hon. Members: Answered.

Mr. Fulton: No, it should stand.

Some hon. Members: Answered.

Mr. Speaker: Question number 11?

Some hon. Members: Stand.

Some hon. Members: Answered.

Mr. Speaker: Order. I should like to know whether question 11 has or has not been answered.

Mr. Howe: Mr. Speaker, I answered that question. I gave all the information that there is available.

Mr. Speaker: Questions 11, 12, 13, 14 and 15 answered by the minister.

Mr. Fulton: On a question of privilege, may I point out that question number 11 deals with plans respecting the R.C.A.F. If the minister will look at parts 2, 3 and 4 he will see that they do not deal with problems of production of aircraft, but rather with the organizational plan. This was not answered.

Mr. Howe: Oh, let it stand.

Mr. Speaker: Question number 11 stands; questions 12, 13, 14 and 15 answered by the minister's statement.

PRINTING BUREAU—FIVE-DAY WEEK

Mr. Knowles:

1. Has consideration been given at any time since January 1, 1952, to the establishing of a five-day forty-hour week in the government printing bureau?

2. If so, on what dates was such consideration given?

3. What is the result of such consideration?

4. When will the five-day forty-hour week be established at the government printing bureau?

Mr. Lesage:

1. Yes.

2. September 16, 1952, when the Minister of Finance met with representatives of the printing trades council and on several occasions thereafter before the issue of the letter of November 25, 1952 from the Minister of Finance to the national joint council of the public service concerning the five-day week.

3. The minister advised the representatives of the printing trades council that continuing consideration was being given by the government to the application of the five-day week in various cities in Canada but that there was not evidence at that time which would justify a decision that the five-day week should be applied in Ottawa. The letter from the Minister of Finance to the national joint council of the public service of November 25, 1952 on the government's policy in regard to the five-day week generally was tabled in the House of Commons on November 25, 1952.

4. It is not the practice to announce government policy in giving answers to questions in the House of Commons.

CANADIAN FORCES, KOREA—SUB-MACHINE GUNS

Mr. Harkness:

1. What type of sub-machine gun was issued to Canadian troops for use in Korea?

2. Was this type of sub-machine gun found satisfactory in action; if not, what were the deficiencies?

3. Has a different type of sub-machine gun been issued?

Mr. Campney:

1. Carbine machine Sten 9 mm. Mk 2.

2. While not entirely satisfactory, it is regarded as being as satisfactory as other available types. It has certain disadvantages, particularly in the magazine.

3. Not for operational use, but a more recent type has been issued for user trials.

FISHERIES—CANNING OF LIVE LOBSTERS

Mr. Robichaud:

1. Has the Department of Fisheries any information concerning a new process of canning live lobster and marketing the same, as advertised recently by a firm in Boston, Massachusetts?

2. If so, what means are being taken by the Department of Fisheries to acquaint the lobster industry of the maritime provinces with this new method?

Mr. MacNaught:

1. The Department of Fisheries understand a process has been invented in the United States whereby live lobsters are packed in sealed containers and remain alive for a limited period of time. Its further information is that patent rights on the process are pending and, consequently, it is impossible to obtain further information regarding the process.

2. Answered by No. 1.

HOUSING UNITS, SAINT JOHN, N.B.—ADMINISTRATION

Mr. Riley:

1. Are the housing units which have been built in the city of Saint John, New Brunswick, by Central Mortgage and Housing Corporation, administered by a housing authority?
2. If so, how many members are there on this housing authority?
3. What are their names?
4. Have any recent changes been made in the personnel of this housing authority?
5. If so, when, and by whom were these changes made?
6. If such changes were made, for what reason were they made?
7. Did the Minister of Resources and Development, or any of the officials of the Central Mortgage and Housing Corporation approve any such changes?
8. Have any complaints ever been received by Central Mortgage and Housing Corporation regarding any of the members of this housing authority?

Mr. Winters:

1. Yes.

2. Five.

3. E. F. Charlton, Eli Boyaner, Geo. A. Hayter, Alfred E. Stevenson, Mrs. Melville Lynch.

4. Yes.

5. Effective January 15, 1953, made by lieutenant governor in council.

6. Reasons unknown to us.

7. No.

8. No.

CURRIE REPORT—COST

Mr. Wright:

1. What was the cost to the government of the Currie report in (a) fees; (b) travelling costs; (c) any other costs?
2. What was the number of personnel employed in the investigation and the number of days each was employed?

Mr. Campney:

1. Billings to November 30, 1952, total the following amounts:

(a) fees	$ 47,528.00
(b) travelling costs	6,353.80
(c) other costs	
telephones and telegraphs	428.10
postage	2.37
stationery	255.15
Total cost	$ 54,567.42

2. The Department of National Defence has not a complete record of the number of personnel employed by G. S. Currie, Esq., on the investigation.

The following information with regard to time spent by different categories of personnel is available from the billings received to November 30, 1952:

Senior partners, 51 days; Junior partners, 284 days; Seniors, 292 days; Intermediates, 151¾ days; Juniors and secretarial staff, 174¼ days.

PROFILING MACHINES

Mr. Diefenbaker:

1. How many profiling machines have the Cross Machinery Company, Toronto, purchased from the government, since the first day of September, 1945?
2. What were the types, giving the manufacturers' name thereof, and the prices paid for each of them?
3. How many profiling machines have been sold by the said company to the government, since the first day of January, 1947 to date, and what price for each of them, giving description and manufacturer's name?

He said: Mr. Speaker, in the reproduction of this question there is reference to the Cross Machinery Company. It should be the Gross Machinery Company.

Mr. Speaker: Question number 38 stands, to be corrected in accordance with the statement of the hon. member for Lake Centre.

ST. BONAVENTURE D'HAMILTON—PUBLIC WHARF

Mr. Robichaud:

1. Was any new construction work and/or repairs effected on the public wharf at St. Bonaventure d'Hamilton, in the county of Bonaventure, Quebec, during the following periods; (a) from the 1st day of August, 1951 to the month of June, 1952 inclusive; (b) from the 1st day of September, 1952, up to and including the month of October, 1952?
2. If so, was this work done under contract or by day labour?
3. If by contract, were tenders invited and what tenders were received?

Mr. Fournier (Hull):

1. (a) Yes, repairs.

(b) Yes, repairs.

2. Under contract.

3. (a) Yes, tenders were received from: Bert Dimock, $13,200; J. Antonio Dufour, $15,852.62; T. E. Rousseau, $23,052.50.

(b) Yes, tenders were received from: J. A. Dufour, $14,989.60; Bert Dimock, $15,351; Geo. K. Steele, $15,895.

THE PRIME MINISTER—WESTERN TRIP—OFFICIAL PARTY

Mr. Fulton:

In connection with the Prime Minister's trip to western Canada in August and September of 1952:

1. How many were in the official party, including any precursors who went ahead to make straight the way?
2. What were their names and in what capacity did each one travel?
3. What were the total expenses of the official party charged to or ultimately payable by the treasury?

4. Did this include any amount to cover expenses of the clerk of the privy council? If so, how much?
5. Did it include any sum for railway accommodation?
6. What was the purpose of the trip?
7. What was its duration?
8. What points were visited?

Mr. St. Laurent:

1. Three.

2. Right Hon. Louis S. St. Laurent, in his capacity as Prime Minister, Mr. W. M. Martin, in his capacity as Secretary, prime minister's office, Mr. J. W. Pickersgill for part of the journey, in his capacity as secretary to the cabinet.

3. $506.21.

4. Yes, $30.35.

5. No.

6. See *Hansard* for December 17, 1952, page 822, part 8 of answer to question by hon. member for Wentworth.

7. Left Ottawa August 28, 1952. Returned to Ottawa September 13, 1952.

8. Trail, Penticton, Kelowna, Vernon, Vancouver, New Westminster, Victoria, Esquimalt, Duncan, Chemainus, Ladysmith, Nanaimo, Parksville, Qualicum, Courtenay, Comox, Powell River, Prince Rupert, Smithers, Prince George, Edmonton, Portage la Prairie, Winnipeg.

There was also a visit to Orillia, Midland and Huronia on the way west, and a visit to Hamilton on the return journey where the Prime Minister addressed the diamond jubilee anniversary dinner of the Association of Canadian Clubs.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CHATHAM, N.B., AIR FORCE TRAINING BASE

Mr. Robichaud:

1. What is the total amount which has been expended to date on, or in any way concerning, the Chatham, New Brunswick, jet operational and training base of the Royal Canadian Air Force?
2. What have been the annual amounts expended on, or in any way concerning the said training base, in each and every year, from and including the year of its inception, to and including the year 1951?
3. What is the amount expended on, or in any way concerning, the said training base, to date in the year 1952?
4. Were any contracts awarded to any individuals and/or firms, in connection or in any way concerning the said training base, during the year 1952?
5. If so (a) what were these contracts for; (b) to whom were they awarded; (c) what was the amount of each contract?
6. Were tenders called for any or all of these contracts?
7. If so, what individuals or firms submitted tenders, and what was the amount of each tender submitted?

[Mr. Fulton.]

IPPERWASH CAMP—PROPERTY PURCHASED

Mr. Knowles:

1. Has the government, at any time since January 1, 1950, purchased any property adjacent to Ipperwash camp, in western Ontario?
2. If so, from whom was the property purchased, what amount was paid for it, and what was the date of the transaction?
3. What is the estimated value of the property at the present time?
4. Did any person or firm act in this sale? If so, what are the names of any such persons or firms?
5. To what use is such property being put?

FLOOD CONTROL PROGRAMS—ASSISTANCE TO MUNICIPALITIES

Mr. Jones:

1. Did the dominion government make a financial contribution to the city of London, Ontario, to assist in their flood control program, some time ago?
2. If so, to what extent?
3. Has federal government financial assistance been given to any other municipality in Canada for a flood control program?
4. If so, to what municipality and to what extent?

RESERVE ARMY—HALF-HOSE

Mr. Lennard:

1. How many pairs of half-hose were supplied to the reserve army in Canada, from the period January 1, 1952 to December 31, 1952?
2. What quantities were supplied to each district command?

INTERNATIONAL SERVICE, C.B.C.

Mr. Macdonnell (Greenwood):

What were the total expenditures of the international service of the Canadian Broadcasting Corporation in each of the calendar years 1951 and 1952, indicating the amount paid by: (a) Department of External Affairs; (b) Canadian Broadcasting Corporation; (c) any other department or departments of government?

ALEXANDER CONSTRUCTION LIMITED

Mr. Diefenbaker:

1. What contracts have been awarded to the Alexander Construction Company of Edmonton, Alberta, since the first day of January, 1946?
2. How many of these contracts provide for payment by (a) fixed fee; (b) cost plus?

DISABLED PERSONS

Mr. Hansell:

How many of the 325,000 disabled persons in Canada are in the following classifications: (a) over 70 years of age; (b) over 65 years of age; (c) blind, not included in (a) and (b); (d) war veterans not included in (a) (b) or (c); (e) others not included in the foregoing?

7 DELAWARE AVENUE, OTTAWA

Mr. Fulton:

1. Is the house known as No. 7 Delaware avenue Ottawa, owned by the crown in right of Canada?
2. If so, from whom was it purchased, when, and for what price?

3. What was the house last used for before it was purchased? Was it at one time used as an embassy or legation? If so, of what country?
4. What is it used for now?
5. How many rooms has this house?
6. Since its purchase, what is the average number of persons who have been occupying it on a permanent or residential basis, i.e., exclusive of casual or temporary visitors for purposes of classes, etc.?
7. What is the annual cost of heat and general maintenance for this house?
8. What is the amount paid for salaries or wages for permanent staff, caretakers, etc?
9. How many times a week, on the average, is this house used for classes, lectures, etc., or otherwise for the purpose referred to in part 4 hereof?
10. What is the average number of those attending for such purpose?

BUTTER

STATEMENT BY MINISTER OF AGRICULTURE

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, before proceeding with the next order of business, in view of the number of questions that have been asked on the matter previously I should like to read to the house a statement I intend to give to the press with regard to butter. It is as follows:

Commenting on the butter situation the Minister of Agriculture stated today that the government still owned more than 29,000,000 pounds of butter and that this supply was regarded as being sufficient to meet all needs until the new production season opens up. He also stated that the government butter would be sold at a basic price of 62 cents per pound for solids in Quebec and Ontario.

And at comparable prices elsewhere.

The only condition attached to sales would be that the buyer would make immediate delivery to retailers and that the mark-up for cutting, wrapping and distributing would be fair and reasonable. The minister pointed out that due to the wide variety of conditions governing retail trade it was very difficult to name a mark-up that would govern all situations. He did say that in many of the larger centres a price of 62 cents for solids in the past had enabled a large section of the retail trade to sell at retail prices of 65 cents and 66 cents, but he recognized that these prices could not be made to govern cases where special services were required. Nevertheless it is expected that there will be full co-operation from the trade and that fair prices will prevail.

The minister also observed that butter production at the present time is somewhat higher than it was last year at the same date. In addition, the point of low production for the year has already been passed and fresh supplies will increase from week to week. For this reason and because of the availability of government stocks of stored butter consumers can be assured of ample supplies at 62 cents wholesale for solids for the remainder of this year.

MOTIONS FOR PAPERS

INFECTIOUS ANIMAL DISEASES

Mr. Charlton:

For a copy of all memoranda, directives, orders in council, regulations and other documents, issued by any department of the government, since January 1, 1952, relative to preventive measures against the possible entry into Canada of infectious animal diseases.

CUBAN REFINED SUGAR—REQUESTS TO STOP IMPORTS

Mr. Diefenbaker:

For a copy of all telegrams, letters and other communications received by the Minister or the Department of Trade and Commerce, since October 1, 1952, and to date, asking for action to stop the import of Cuban refined sugar.

CUBAN REFINED SUGAR—ACTION BY CANADIAN SUGAR INDUSTRY

Mr. Diefenbaker:

For a copy of all letters, telegrams or other communications received by the Minister or the Department of Trade and Commerce, or memoranda of telephone conversations, wherein the minister was advised by "the rest of the industry" other than the Canada and Dominion Sugar Company, that they or any of them would have nothing to do with the alleged complaint to bring about legislation to stop the import of Cuban refined sugar, and replies to any such communications, since October 1, 1952.

Mr. Howe: I have no objection to the motion being agreed to, but it will of course be understood that it will be subject to the usual rule with regard to communications marked "private", "confidential", or "personal", or all three, and that such papers will not be tabled. I may say that it is not my practice to make memoranda of telephone conversations for that particular type of conversation.

Mr. Diefenbaker: That will be the usual qualification, but if those letters are marked "personal" or "private" they should not have been referred to or summarized in the house.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the statement made by the minister?

Motion agreed to.

LABOUR CONDITIONS

BRITISH COLUMBIA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I desire to ask permission to move, seconded by the hon. member for Fraser Valley (Mr. Cruickshank), the adjournment of the house under standing order 31 for the purpose of discussing a matter of urgent public importance, namely, the adverse effects on employment in and the economy of the province of British Columbia caused by the successful application of the Trans Mountain Oil Pipe Line Company to the board of transport commissioners to export to the United States for refining, by one or more direct pipe lines, huge quantities of crude oil from the Alberta oil fields.

Inquiries of the Ministry

Mr. Speaker: The hon. member has made a motion under standing order 31 for the adjournment of the house to discuss a definite matter of urgent public importance. This motion must be made after the ordinary daily routine of business has been concluded and before notices of motions or orders of the day have been entered upon. The motion would appear to have been made at the proper time. The hon. member has handed me a copy of the motion which he proposes to move.

The matter which he proposes to discuss is one relating to the adverse effects on employment in and the economy of the province of British Columbia caused by the successful application of the Trans Mountain Oil Pipe Line Company. I must decide whether the motion is in order and whether it is a matter of urgency in accordance with the rules of the house. The matter must be one of national importance. No doubt this is an important matter to the province of British Columbia, but whether I can conclude from that that it is one of national importance is something about which I have considerable doubt.

It must also be within the administrative responsibility of the government. I doubt if that is so. Apart from that, it must be a matter of such urgency that the business of the house arranged for today should be interrupted and set aside so that it can be discussed.

Mr. Fulton: Anything affecting British Columbia meets that qualification.

Mr. Speaker: It appears to me that there will be opportunities in the near future to discuss this matter and therefore I cannot permit the business which has been arranged for for today to be set aside. Accordingly, I cannot accept the motion.

WATER POWER

SURVEY OF POTENTIAL OF SOUTHERN YUKON

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to ask the Minister of Resources and Development whether a permit has been granted to Frobisher Limited to survey the water power potential in the Yukon and, if so, would the minister make a statement thereon?

Hon. Robert H. Winters (Minister of Resources and Development): I thank the hon. member for having given me notice of his question. On December 29, 1952, a survey permit was granted to Quebec Metallurgical Industries, Limited, which is a subsidiary of Frobisher Limited. The survey permit authorizes Quebec Metallurgical Industries to conduct surveys of the water power potential in the southern part of the Yukon and, more especially, the drainage basins of the Alsek river, the Yukon river and the Donjek river and their tributaries.

There is nothing exclusive about this permit, which was granted under the dominion water power regulations. There are large-scale water resources in this general area and it is believed that information already on hand, together with that which should be forthcoming from these surveys, will indicate that this potential can result in water power developments in the Yukon Territory which will stimulate the development of the mineral resources and the general growth of this potentially rich area.

[*Later:*]

Mr. Adamson: With respect to the question just asked the minister concerning the Frobisher company, may I ask whether any of the intentions of this company in any way means the diversion of the headwaters of the Yukon into United States territory?

Mr. Winters: If there are any such intentions, they have not been communicated to me.

Mr. Adamson: The policy of the government is still against the diversion of the headwaters of the river?

Mr. Winters: The policy of the government remains the same as I expressed in the house earlier in reply to a question by the hon. member on December 17, 1952.

SUGAR

MEETING WITH REPRESENTATIVES OF REFINERS

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): I should like to ask the Minister of Trade and Commerce if the meeting of the representatives of the sugar refiners of Canada and the minister was held on Friday, February 13, as scheduled and, if so, has the minister a report for the house?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I did meet representatives of the sugar industry on Friday. I reported to them my findings arising out of discussions with individual exporters in Cuba and also with the sugar institute of Cuba, and I made suggestions that I thought would improve the situation. It was decided that a representative of the refiners would go to Cuba immediately and follow up my report

with the industry there in the hope that all we expected to accomplish would definitely be accomplished.

INCOME TAX

REMOVAL OF FLOOR UNDER MEDICAL EXPENSES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is the minister remembering the promise he made on January 12 to give consideration this year to the removal of the 4 per cent floor under medical expenses in relation to income tax?

Hon. Douglas Abbott (Minister of Finance): The minister never forgets a promise, Mr. Speaker.

LIVESTOCK

LIFTING OF UNITED STATES EMBARGO

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of Agriculture. Has he any further information to give the house regarding the lifting on the 1st of March of the embargo on livestock entering the United States?

Right Hon. J. G. Gardiner (Minister of Agriculture): There is no further information other than what has already been given to the house. Our understanding still is that it is the intention of the United States government to admit livestock on the 1st of March.

Mr. Bryce: Will the minister tell the house why he advises producers to hold back their livestock?

Mr. Gardiner: We have always advised them to do that ever since foot-and-mouth disease afflicted the country and the embargo was imposed by the United States, the main reason of course being that the number of cattle which would naturally come on the Canadian market in a year could not possibly be consumed in this country. The great majority of farmers have held back their cattle. I do not think it would be fair to those who have done so for others to rush them on the market now in the last two weeks and put the government or anyone else in the position where they would have to market these cattle in the first two or three weeks after the United States border is opened in competition with cattle held back by farmers. In other words, we simply suggest that now in the last two weeks farmers carry out the same program that has been carried out by the great majority of farmers right through the whole period of the foot-and-mouth disease difficulty.

Mr. Bryce: With the present prices on United States markets, is it not likely that cattle will be coming to this country instead of going there?

Mr. Gardiner: I would not say there will be, but at the same time I can say very definitely that if the government were to take delivery of cattle within the next two weeks and thereby pay a subsidy on the cattle we would not be permitted to market those cattle in the United States. They would have to be slaughtered in this country, and that would put them in direct competition with the cattle that are delivered to the market in the weeks immediately following the opening of the United States market. We do not think it would be fair to farmers who have held back their cattle for the government to take delivery of the cattle of a few farmers who put their cattle on the market at this time.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—MEETING WITH CABINET

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Prime Minister. Have officers of the South Saskatchewan river dam and irrigation project communicated with the Prime Minister or the government suggesting that they might send a delegation to meet the government and the cabinet? If they do send a delegation, will they be received by the Prime Minister and the cabinet?

Right Hon. L. S. St. Laurent (Prime Minister): Did I understand the hon. gentleman's question to refer to engineers of the South Saskatchewan association—

Mr. Diefenbaker: No, these are representatives of the association and the rural and urban municipalities of Saskatchewan.

Mr. St. Laurent: I have received a telegram from a gentleman who signs as representing the South Saskatchewan association. I have also received a letter from the premier of Saskatchewan stating that his government is preparing a brief indicating their disagreement with some of the recommendations of the commission and the reasons for that disagreement. I am not sure whether the answer has gone to the official of the South Saskatchewan association—if it has not gone it is going—and I felt that it might be more advantageous if we had the brief from the government before we met the delegation

from the province. I have given the premier of Saskatchewan the assurance that any representations made will receive very careful consideration. I sent him at the same time, as expressing the present viewpoint of the Minister of Agriculture and myself, a copy of *Hansard* containing the minister's speech and my intervention when the hon. member for Lake Centre was himself speaking.

NATIONAL DEFENCE

KOREA—INQUIRY AS TO STATE OF WAR

On the orders of the day:

Mr. J. H. Rooney (St. Paul's): I should like to address a question to the Minister of National Defence, and I apologize for not advising him of it. It arises out of something I saw in a newspaper I was reading yesterday. Can he tell me whether or not we are at war? The decision of a judge of a court in the United States, as contained in yesterday's paper, was that we are not at war and that as a result thereof the personal life insurance policies of two men who were killed in Korea were affected. I feel that this might have a serious effect on some of our troops overseas and I believe the matter should be investigated.

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Rooney: That is the reason I asked the question.

Hon. Brooke Claxton (Minister of National Defence): The question of whether or not we are at war should properly be directed to the Prime Minister or the Secretary of State for External Affairs, but I am sure they will agree with the answer I am going to give, namely, that we have never declared or proclaimed a state of war. We are fighting in Korea and the fighting there certainly is tough. I will be glad to look into the remaining part of the hon. member's question concerning the effect on the insurance of soldiers.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed, from Friday, February 13, consideration of the motion of Mr. Pearson:

That items Nos. 85 to 104 inclusive of the main estimates, 1953-54, 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.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, just before I adjourned the debate on Friday evening I was drawing to the attention of the house the desirability of unanimity in the face of a common enemy so far as Canadian foreign affairs are concerned. I pointed out that because of statements, however veiled, that had been made in the house by the leader of the Social Credit party (Mr. Low) and statements that had been made throughout the country by another member of that party, the hon. member for Macleod (Mr. Hansell), this no longer is a fact. It may be a fact in the house, yet it is unfair to the Canadian people that they be given the impression that the House of Commons is not in any way divided on the question of participation in the United Nations and in world affairs.

I drew the attention of the house to a statement by the member for Peace River (Mr. Low), in which he said, and I quote from page 1881 of *Hansard* for February 12, 1953:

> But, Mr. Speaker, when the full history of these times is written, when all of the facts have been brought to light, there will be many people who will say that the past two presidents of the United States have been the great betrayers of humanity.

At that time I was asked by the hon. member to read on. I did, Mr. Speaker, and to my great astonishment I found the following on the same page of *Hansard*:

> To be charitable, as I ought to be, I will say that some of those decisions made at Yalta and Potsdam, some of the secret understandings and agreements that were had with Stalin, may have been made in good faith.

I may say that at both of these conferences the Right Hon. Winston Churchill was present, and in addition at the Potsdam conference there were well known figures in the political life of Britain and the United States. At the Potsdam conference the following were present: Harry S. Truman, J. Stalin, Winston Churchill and the secretaries of the three governments, Mr. James Byrnes, Mr. Molotov and Mr. Anthony Eden. Are these the gentlemen who we are to believe have been treacherous in their decisions? When the history is written, Mr. Speaker, regardless of whether it is written by fascist sympathizers or true historians, as one Canadian citizen I shall refuse to believe that there was any treachery by western representatives during the time these agreements were made. Mistakes may have been made, but to say that they were treacherous mistakes is certainly not a becoming statement.

The hon. member for Provencher (Mr Jutras) read into the record an article which the hon. member for Macleod agreed that he had written. In this article, which is supposed

to be an honest appraisal of the United Nations, the hon. member said:

—truth is still our weapon, but let us have the whole truth. The fact of the matter is that this United Nations is largely a socialist-communist organization.

The hon. member for Camrose (Mr. Beyerstein), a member of the Social Credit party, was a parliamentary observer at the United Nations, and it would be interesting to hear from him whether, during his visit there, he found that he was associating largely with communist-socialists. I believe that quite the contrary was true. We have a continuous opposition from the Soviet bloc which represents five votes. If that bloc were given the same rights in privileges as the United States, with the large number of states compared with the socialist states, I am sure it would have only one vote and that would leave the communist world with but one vote in the United Nations.

I regret, Mr. Speaker, that because of the rules of the house it is impossible for me to move that this house register in the affirmative its decision to carry on its allegiance to the United Nations as a world organization. I believe that in the interest of the Canadian public generally that should be done before this session is prorogued.

On Friday I mentioned that there was one particular matter coming before the United Nations which I believed is of great importance. It was referred to by the Secretary of State for External Affairs (Mr. Pearson) in his address which opened this debate. I believe we all appreciate the fact that the minister, now that he is president of the general assembly, cannot speak out in the same terms and with the same force as he did on earlier occasions. However, during his address he stated, and I quote from page 1849 of *Hansard* for February 11, 1953:

It is probable, however, that there will be further far-reaching discussions at later sessions of the general assembly on the reconciliation of domestic jurisdiction as laid down in the charter with the claim that the United Nations is competent to consider and to intervene in any question which anyone may wish to put on the agenda. There is probably no more important long-range problem facing the United Nations general assembly than this.

In his address during this debate the hon. member for Peel (Mr. Graydon) suggested that a committee should be set up to discuss the charter of the United Nations and to make recommendations. Should such a committee be set up, I feel that this is one very important question with which it should deal. The committee which will discuss these estimates should also consider this very important question. Reference is made to this matter in article 1, subsection 7, of the charter, and I quote:

Nothing contained in the present charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the members to submit such matters to settlement under the present charter; but this principle shall not prejudice the application of enforcement measures under chapter VII.

In an earlier address the hon. member for Assiniboia (Mr. Argue) criticized the Minister of National Health and Welfare (Mr. Martin) for the position the Canadian delegation took on the question of apartheid in South Africa. I believe that this question is perhaps a basic one with respect to United Nations authority. We should consider the United Nations as united nations rather than a united states. If we are to deal with minority groups in any and every state, then the United Nations would be almost ineffective in that it would be cluttered up with every conceivable jurisdictional question, questions of domestic jurisdiction, which many nations themselves cannot solve. If these questions were brought before the world forum, it would simply confuse the issues instead of settling them. However abhorrent the South African government's decision is to us as individuals, there is perhaps much to be said and much consideration should be given to the various problems of that country.

It may be noted that the Russian delegation were all in favour of this type of intervention. But as to a nation which is reported to have 20 million political prisoners within its boundaries, what can be said of its right to vote condemning a smaller country for its particular political problems respecting minorities?

I also draw to your attention another matter, Mr. Speaker. Even at the time this matter was being voted upon, I read in one of the United States papers an article stating that a white man had been arrested for sitting at the same cafe counter with a negro in one of the southern states. There are laws with respect to racial discrimination in almost every country of the world. Who is to say what country is Simon pure? Which one can cast the first stone? I am sure that many of the countries that spoke out most loudly on the question of race persecution are those which have the least right to cast that first stone.

Mr. Speaker, I know that this debate has been somewhat prolonged. As I pointed out earlier, perhaps it should not have gone into the question of disunity respecting foreign affairs; but I feel that the general public should know what is the position of all parties

in this house with respect to our continued all-out support for the United Nations.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I had not intended to take part in this debate at all because I thought that my leader did an excellent job in propounding to the house the position which Social Crediters take at the present time with respect to foreign policy. But during the debate several attacks have been made upon this group, upon the leader of the Social Credit party and upon myself; and these call for a continuation of the debate. Very often that is what happens in debates.

Since the motion was to refer the estimates to the standing committee on external affairs, I had expected that a pronouncement by each of the leaders might have been sufficient so that the estimates could have gone to the committee and the minister could have been free to go to the United Nations as I understand he desires to do at the earliest possible moment.

At the outset of my speech, however, I wish to say that I too have visited the United Nations—as have many others in this parliament. It was my privilege to go with the delegation, as one of the parliamentary advisers, last year when we met in Paris, France. I must say that I enjoyed my work greatly. I did not have a great deal to say, but as a result of my observations, I would say I was pleased with the way the Canadian delegation took up their task and worked. I was particularly impressed by and pleased with the staff of brilliant young men the minister had at Paris at the time. I have no criticism whatsoever to make of the staff in the Department of External Affairs. I believe they are doing an excellent job in attempting to achieve the policy which is laid down by the government itself. I would say the same thing for the Secretary of State for External Affairs (Mr. Pearson). While at times we may rise and exercise our democratic right of criticism, we want the minister to know that, as far as we are concerned, and as far as our relationship with him goes, we are behind him in his desire to accomplish that which he set out to do. We do not always agree with government policy in respect of foreign affairs.

I might also say this, if it is not premature to do so. Should the minister reach higher levels of responsibility in the United Nations, we want him to know that this group will be behind him in the exercise of those responsibilities. Whether or not he will eventually be in a position of determining policy, I do not know; but as to any responsibility that might come to him in giving guidance to such a vast organization, we want him to know that we will stand with him in his work. However, once again I might say that that fact does not preclude at all the opportunity that is presented in this parliament of speaking freely and of exercising our democratic right in placing our views before the country. In fact, I quite believe that the minister himself and the government would welcome criticisms and observations.

Having said that, I want to deal for a moment with the speech that was made the other night by the hon. member for Provencher (Mr. Jutras). I do so because, in his speech, mention was made of an article which I wrote some time ago. That was the second time that this article had been mentioned in the house. The hon. member for Kootenay East (Mr. Byrne) rose this afternoon and referred to the same article. That is the third time that article has been referred to in this house. I will say now that I am not retracting anything that I have said or that I have written unless it is proved that my observations are absolutely incorrect.

I will say this, Mr. Speaker. In the quotation made from this article, one part was omitted. In fact, quite a bit of it was omitted, but I have reference to one particular part. I am not blaming the hon. member for Provencher because, on looking up the local paper that reprinted the article, I find that this particular part was not there. Therefore I would not expect him to quote this part; but in the original printed article which was put out in pamphlet form this was printed as a prominent footnote to the article and with a prominent bold face title which reads: "Please do not misunderstand", and the following notation is made. I am reading this for the purpose of the record:

> We are not opposed to the United Nations as an instrument for the furtherance of international co-operation. We believe that such an organization, recognizing the sovereignty of its member nations, working together, can do much to foster and bring about peace and good will among men. We do feel, however, that there is definite evidence of intrigue in high places which is undermining the sovereignty of the freedom loving nations of the world, and which will ultimately enslave the people through world government over which they will have no control.

Might I say once again to the hon. member for Provencher that I am retracting nothing until such time as I am proven to be wrong by the actual facts of the circumstances, and certainly my friend's argument will not prove me to be wrong. Several times he quotes and remarks, as he is quoting, "I do not understand" or "I do not exactly know", as though he were unable to comprehend something that I was writing about. If that is so, then why does he attempt to disprove my thesis, if

he does not understand or does not exactly know? Furthermore, I cannot help it if the hon. member for Provencher does not possess the necessary powers of comprehension. At page 1939 of *Hansard* the hon. member quoted from my article. I might say that when the hon. member quoted the article he did not quote the title of it. He quoted the subtitle, which was my honest appraisal of the United Nations. The actual title of my article was "Intrigue in high places", and the article must be read in the light of what I am attempting to show, that behind the scenes there has been intrigue in high places.

I wish the United Nations every success, but if there is in high places intrigue that will depreciate and render the work of the United Nations useless, those forces should consequently be exposed.

My hon. friend says on page 1939 of *Hansard*:

> The most important nation in the United Nations and the one that is carrying the biggest load of all is the United States of America, and it is not socialist.

There seems to be an idea in the minds of many people that in order for a person to be a socialist he must belong to the C.C.F. or to the socialist party of Great Britain. When I talk of socialism or socialists I do not care where they belong. I do not care whether they belong to the C.C.F. or even to my own organization.

An hon. Member: Or the Liberal party.

Mr. Hansell: Or the Liberal party, or the Conservative party. It is not a matter of whether a man has a membership in a socialist organization.

Mr. Knowles: It is a matter of being intelligent.

Mr. Blackmore: Halfway intelligent.

Mr. Hansell: I will say this. Without using the term "intelligent", I will say that it is a mental attitude towards certain things, and we can have a socialist mentality and sometimes not know it. That is the truth, and when my friends talk of nations being socialist we believe, of course, that the United States of America has a free enterprise government. But I am going to tell you that a good deal of what Mr. Truman did was to put in certain socialist legislation. I would say to some of the Liberal party here: there are Liberals here who have a socialist mentality, and particularly when it comes to matters of the wider scope of international relations.

Mr. Decore: What about the big shots of Alberta?

Mr. Hansell: Let me go a step further. On the same page of *Hansard* the hon. member quotes from the charter of the United Nations as follows:

> —to reaffirm faith in fundamental rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small.

That is very good; we can agree with that. Further down he continues:

> To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples.

Well, that is all right; we believe that.

Mr. Low: A lot of other people do not.

Mr. Hansell: I have quoted from the United Nations charter. These things are all well and they are all good, and we do trust that the United Nations will safeguard these things and live up to them. We are with them when they do so. But the fact of the matter is, history records that the nations of the world have not lived up to them, and the very administrations that my leader referred to the other night, the Roosevelt and Truman administrations, sold those very principles down the river. Let us make no mistake about that.

Mr. Studer: Which river?

Mr. Blackmore: Any river you want to name.

Mr. Hansell: That remark coming from over there is a measure of my hon. friend's intelligence. I am telling you that when we are dealing with matters like these we are not dealing with petty party differences; we are dealing with the destiny of the human race, and my hon. friend pops up and says, "What river?"

The hon. member for Provencher could not help but read a certain part of my article, and then he said:

> It is obvious that the writer has indulged in a little indirect antisemitism.

The hon. member for Rosetown-Biggar (Mr. Coldwell) did the same thing a week or two ago. Well, I did not answer him; I can let things go by. But when one is annoyed time and again one must make a reply. It is reaching the point where a person cannot use a quotation, and mention the name of the one he is quoting, without someone levelling against him a charge of antisemitism. It is a device to try to silence one.

Well, some of us are not going to be silenced. I have great respect for those who are not of my race or religion, and would be one of the first to defend them if they were ever in trouble. But what was the hon. member really doing? I will tell

you what he was doing, because I have analysed one or two of his statements. Now I am going to analyse him. Yes, I am going to practise a little psychiatry and proceed to psychoanalyse him.

The hon. member is getting a bit jittery, because I was out in his constituency. He says that I left a pamphlet there. I did not leave it there; I do not know how it got there. But I am not worrying about the matter. I hope it was there, and I hope it goes farther, although it is out of print now.

I was invited to his constituency and addressed an enthusiastic meeting. That is what is bothering the hon. member and why he levels these charges of antisemitism against us. We see the pattern running true to form. It happened in British Columbia, when they got jittery out there, when they had nothing to propose and saw their popularity waning. This was just a sample of the old smear technique. The same thing happened in British Columbia. Well, they got their answer out there. Now my hon. friend from the province of Manitoba starts the same thing. He had better be careful or Manitoba will get its answer, too.

Not only was I in that community, on invitation—and I do not go anywhere unless I am invited. The hon. member need not get jittery again—but I have been invited to go back again.

Mr. Jutras: Would the hon. member permit one brief word? I just wish to assure him that he is most welcome at any time in my constituency. I have no objection whatsoever to his holding a meeting at any time.

Mr. Hansell: Well now, that was a nice thing to say, and I appreciate it very much. Nevertheless, it is the same old pattern, the same thing we have met before. We are not dunces at this sort of thing.

A large portion of my pamphlet was not quoted, and for that reason I shall read from it the conclusion I reached. The hon. member did not quote this part of it, and perhaps for very good reasons. The subtitle of the paragraph is "Prediction". This is my conviction. I wrote this without consultation with anyone:

> If the United Nations world organization fails and the third world war breaks, it will not cause men to admit their failure. In the re-examination of the process, as the *Christian Science Monitor* suggests, men will not come to their senses and publicly confess they have been on the wrong track all the time. No! No! They will say the very opposite. They will say we did not go far enough; that the United Nations was weak in that it was not given enough power. This will be meat for the proponents of world government. They will seize the opportunity of a third world war to bring in a world government, with supreme power. The stage will then be set for the coming of the world dictator.

And then this other paragraph:

> And what has all this to do with Social Credit? The Social Credit Association of Canada is organizing Canada for the purpose of eventually forming a government at Ottawa. In this process we will tell the truth. We believe we are among the few who know the truth. When once the people are informed, they will rally to the truth which is the only thing that will make men free.

He did not quote that part of my article.

Then, I should like to deal with what was said by the hon. member for Kootenay East (Mr. Byrne). When I listened to him on Friday evening, when he commenced the speech he finished today, I must say that he sounded more like a kindergarten boy attempting to instruct his teacher, when he proceeded to level his criticism against my leader. The hon. member picked out one sentence; then he went a little farther today. May I place on record what the leader of the Social Credit party did say on that occasion. Let me add that the hon. member was trying to say the leader of this party had branded President Roosevelt and President Truman as traitors. Let us see what he did say. I will read the entire quotation as it appears in the speech of the hon. member for Peace River (Mr. Low) as reported at page 1881 of *Hansard*:

> Consequently, in so far as Mr. Truman did meet international challenges during the years he occupied the presidential office, I join with the minister in paying tribute. But, Mr. Speaker, when the full history of these times is written, when all of the facts have been brought to light, there will be many people who will say that the past two presidents of the United States have been the great betrayers of humanity. To be charitable, as I ought to be, I will say that some of those decisions made at Yalta and Potsdam, some of the secret understandings and agreements that were had with Stalin, may have been made in good faith; but the very best anyone can say is that they indicated a most serious lack of foresight and judgment on the part of those two presidents. It may have been that they listened too much to unsound advice from men like Alger Hiss, but they will not on that account be able to escape the judgment of history.

I should like to make it clear that in using those words the other day in the house the hon. member for Peace River did not, himself, condemn President Truman and President Roosevelt. He said distinctly that when the full history is written many people will say that the past two presidents have been the great betrayers of humanity. My leader does not make statements that he cannot prove.

I wonder now if I may quote what was said by Congressman B. Carroll Reese of Tennessee when speaking in the House of

Representatives on March 19, 1951, as recorded at pages A-1564 to A-1568 of the *Congressional Record*. He said:

> We could have easily gotten to Berlin first. But our troops were first halted at the Elbe. They were then withdrawn from that river in a wide circle—far enough westward to make Stalin a present of the great Zeiss optical and precision instrument works at Jena, the most important V1 and V2 rocket laboratory and production plant in Nordhausen, and the vital underground jet plant in Kahla. Everywhere we surrendered to the soviets intact, thousands of German planes, including great masses of jet fighters ready for assembly, as well as research centres, rocket developments, scientific personnel, and other military treasures.
>
> When it was all over, a large part of the formidable Russian militarism of today was clearly marked "made in America" or "donated by America from Germany". But where Roosevelt left off, President Truman resumed.
>
> At Potsdam, Truman, maintaining intact Roosevelt's iron curtain of secret diplomacy, played fast and loose with American honour and security. He agreed to an enlargement of the boundaries of a Poland already delivered by Roosevelt and Churchill to Russian control through addition of areas that had, for centuries, been occupied by Germans or people of German origin. Some 14 million persons were brutally expelled from their homes with the confiscation of virtually all their property. Only 10 million finally reached the American, French and British zones of Germany. Four million mysteriously disappeared, though the finger points toward Russian atrocities. Thus Truman approved one of the great mass deportations in history, which for sheer cruelty is a dark page in the annals of history.
>
> At Potsdam, Truman also sanctioned Russian acquisition of Eastern Germany, the food-bin of that nation before the war. It then became impossible for the remaining German economy in British, French, and American hands to feed its people. Germany, like Japan, also went on our bounty rolls.
>
> Like Roosevelt, Truman did not neglect to build up Russian military strength when his opportunity came at Potsdam. He provided her with more factories, machines and military equipment, though at the time he attended Potsdam, Truman knew that through lend-lease we had already dangerously expanded Russia's military might and that, in addition, we had given the soviets some 15,000 planes—many of them of our latest type—and 7,000 tanks.

That is from a speech by Representative B. Carroll Reese.

Mr. Blackmore: That is what won China for the communists.

Mr. Hansell: I want to ask the hon. member for Kootenay East, or any other hon. member who wants to be critical of what my leader said in the house on February 12: Do you endorse the secret agreements which Roosevelt and Truman made with Stalin at Yalta and Potsdam? That is the question. Do you approve of that? Do you back them in callously turning over Poland, East Germany, Korea and the northern Japanese islands to Russia? Do you approve of the way in which those presidents deliberately contravened the United Nations charter, which stated that the right of self-determination was an inalienable right of all peoples and must be adhered to strictly as part of the new order that was to be ushered in by the United Nations? Think of the millions of people who were given to Stalin by these presidents without their consent and think of the human suffering that has resulted.

Mr. Blackmore: The loss of life too.

Mr. Hansell: When you think of these things, if you are at all fair, I say to the hon. member for Kootenay East and to any other hon. members who pursue the same argument that they must admit that the words of my leader, uttered in this house on February 12, were very restrained and moderate in the light of the circumstances. What he said was like a mild and perfumed lovetap in comparison with what millions of betrayed people are thinking and saying. What is more, during the election campaign in the United States, hundreds of speakers over the air and on the hustings said things that make my leader's words look weak, pale and anaemic. Let me read from the platform of the Republican party concerning these agreements. That is what it said:

> The government of the United States, under Republican leadership, will repudiate all commitments contained in secret understandings such as those at Yalta which aid communist enslavement. It will make clear, on the highest authority of the President and the Congress, that United States policy, as one of its peaceful purposes, looks happily forward to the genuine independence of those captive peoples.

The hon. member for Kootenay East tried to bolster up his case by pointing out that Churchill was at Yalta and Potsdam. I suppose he wanted to convey that if anyone was condemning Presidents Roosevelt and Truman he would also have to condemn Churchill. I should like to point out that Mr. Churchill was very alarmed at President Roosevelt's silly infatuation for Stalin and his reckless serving of the interests of world communism. On October 21, 1942, Mr. Churchill wrote to the British foreign secretary, Anthony Eden, as follows:

> **It would be a measureless disaster if Russian barbarism overlaid the culture and independence of the ancient states of Europe.**

From all one can gather from the bits and pieces that have dropped from the lips and pen of Churchill, that gentleman did what he could to oppose Mr. Roosevelt and Mr. Truman in their recklessness. I would point out also to hon. members that Churchill felt that an invasion of the Balkans was to be preferred to head-on attempting to invade Germany by way of the northern counties of France. Roosevelt opposed this request, it appears, for no other reason than to please

Stalin. In fact, Churchill evidently put up with a great deal of indignity and had to agree to many strategically unsound policies to prevent the clique of betrayers around Roosevelt from prompting the president to injure, even more than he had done, Britain's position in the world.

If any of you will take the trouble to read the book "As He Saw It" by General Elliott Roosevelt, the son of the late president, he will find some very frank statements concerning some of these things. It is apparent that General Elliott Roosevelt was determined to tell the truth so that posterity would have it. He was with his father at Casablanca, evidently as a military adviser. On page 116 he indicates his father's anti-British attitude in a quotation from what his father said, as follows:

> I will work with all my might and main to see to it that the United States is not wheedled into the position of accepting any plan that will aid or abet the British empire in its imperial ambitions.

I remind you that those words were said by Mr. Roosevelt just before he issued his unconditional surrender proclamation on Saturday, January 23, 1943. The next day Mr. Roosevelt again said to his son:

> The British must never get the idea that we're in this war just to help them hang on to the archaic medieval empire ideas.

There are many people who interpreted this attitude toward Britain, along with the great delight that Mr. Roosevelt had in making Churchill squirm, as the reason for the president siding with Stalin on the choice of a strategically insignificant area for the Mediterranean front rather than the corridor up through which Mr. Churchill felt it would be comparatively easy to drive into the very heart of nazi territory. Mr. Roosevelt was condemned by those words of his son far more strongly than by anything ever said by my leader.

What was the position of Churchill at Yalta and Teheran? Just because the hon. member for Kootenay East (Mr. Byrne) says Mr. Churchill was there and Mr. Eden was there, that does not mean they could not be wrong. Mr. Churchill can be wrong. There is no living individual who is infallible. The hon. member brings in the name of Churchill as if everybody is going to step up and say "hurrah, hurrah". Mr. Churchill can be wrong. Let us also remember that men can be made and men can be broken. Personally I think Mr. Roosevelt was a much overrated man; congenial of course, but the press and the whole propaganda machine of the United States were behind him as they were behind Truman.

What is more, that same propaganda machine can make men and break them. I am not saying whether Mr. Churchill was right or wrong, but I wonder if the hon. member for Kootenay East has ever studied the position of these three big men of the earth as they sat around the table at Teheran and Yalta. Let us look at them. There was Mr. Roosevelt, the president of the United States of America. He was the man who held the purse. There was Mr. Stalin, the man of steel, with a mind as sharp as a two-edged sword and a heart bent on world conquest. There was Mr. Churchill, with one of the greatest burdens of responsibility upon his shoulders, nothing more nor less than the destiny of one of the greatest of peoples of all times, a nation crowded on a small island whose resources were then well spent.

In this connection I do not think I can do much better than quote the remarks of the well-known columnist, George Sokolsky, which appeared in the New York *Sun* on March 8, 1945. I gather from the article that he covered the meeting at Teheran. What did he say about Churchill? These are his words:

> One of these men (the big three) is a British aristocrat, Conservative, imperialistic, proud, the most heroic political figure of the war. But he heads an empire that has long been used to the limit. Its principal resource now is the treasury and industry of the United States. His mind is robust, but his purse is bare. At a bargain he sits with empty hands and high hopes.

That is Mr. Churchill at these conferences. One of my colleagues has passed me a note indicating that I have two minutes left. I can finish in that time because I do not think I need to say anything further. If it is thought that we differ at times with government policy respecting foreign affairs, we want it to be understood that we do so not because we sit on the opposition side of the house and not because we oppose any individual with whom we may disagree, but because we have a conscience and a conviction concerning the destinies of the nations of the world.

Mr. P. E. Wright (Melfort): Mr. Speaker, it is not my intention to follow the argument of the hon. member who has just taken his seat.

Mr. Blackmore: You could not do it if you tried.

Mr. Wright: I want to comment, however, on one statement he made. He said that Mr. Roosevelt and Mr. Truman had the propaganda machine of the United States behind them, that they had the press behind them, and that is why they were such great national figures. If the rest of his speech is as correct as that statement I would hate to put much credence in it, because everyone who has followed conditions in the United States

knows that 85 per cent of the press of that country were opposed to both Mr. Truman and Mr. Roosevelt.

In taking part in this debate I wish to congratulate the Secretary of State for External Affairs (Mr. Pearson) on the distinction conferred on him by the general assembly of the United Nations in electing him as president. I believe it was a timely recognition of good service rendered, and it brought honour both to himself and to Canada. I enjoyed his speech on Wednesday; and if I have any criticism to offer it is that he has become so steeped in diplomacy in his work at the United Nations that he forgets that when he is at home he could afford to be—and I believe should be—a little more explicit and definite in his statements to parliament on Canada's position with respect to the serious international situation in which we find ourselves at the present time.

In my opinion it is poor policy for Canada not to make her position clear before commitments are made which may involve us at some later date in a serious world situation. I do not think that position is fair to our friends, and I believe in the long run it will only benefit our enemies. When the hon. member for St. John's West (Mr. Browne) was speaking the other night, he stated that we in this group criticized Mr. Dulles for some of his forthright statements in Europe yet at the same time we criticized the Secretary of State for External Affairs for not being more forthright with members of the house. I believe there is a difference. I believe there is a position between those two extremes that we in this country could follow. I know it is a difficult position. The Secretary of State for External Affairs explained that to us when he spoke to the house, but I am convinced that it is better to speak before than after the event has happened.

I have listened carefully to the speeches of the members of the official opposition during this debate. Formerly they took their lead from the Conservative government of Mr. Churchill in Great Britain—

Mr. Fulton: Oh, no.

Mr. Wright: —but now they are following the Republican government of Mr. Eisenhower in the United States. I do not think I have ever seen a group in Canada that seemed as anxious as my hon. friends to occupy the position of a satellite to some other nation. They seem content to be the tail of any big dog. Pretty soon they will be recommending the Stars and Stripes as our national flag instead of the Union Jack.

Mr. Fulton: I did not know that my hon. friend had such a vivid imagination.

Mr. Wright: I wonder what Sir Robert Borden would think if he had been here and heard the speeches made by my hon. friends in the last two days of this debate.

Mr. Fulton: I do not know what he would think if he heard your speech.

Mr. Wright: I do not imagine my hon. friends would have made such statements under his leadersip. I remember an election that was fought away back in 1911. I was not very big at the time but it seems to me that I recall hearing something about "no truck or trade with the Yankees". At Versailles Sir Robert Borden stood up for an independent Canada, a Canada that would express its own opinions and take a clear position in world affairs. I think we should follow the same policy. I believe Sir Robert Borden was right.

I do not intend to deal with the political aspects of the world situation today. I think the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Winnipeg North Centre (Mr. Knowles) did that quite well. However, I want to deal with two other aspects of the situation. I am going to confine myself to the necessity for economic aid in Europe as well as military development, and assistance to underdeveloped areas in Asia, the Near East and Africa. I do not intend to deal very fully with the matter of economic aid. I think that can be done later on the estimates of the Minister of Trade and Commerce (Mr. Howe). But there are three or four things which it is my opinion we must do if we are to build the economies of Europe to the point where they can carry the military establishments that they are being asked to carry under NATO.

First, I think we are going to have to purchase more goods from Europe. We are going to have to remove some of the barriers that are in the way of the purchase of these goods in Canada and the United States. Then I think we are going to have to take sterling in exchange for some of the goods we wish to sell to Europe. I believe we shall have to invest that sterling in projects in the sterling area or make loans to the governments of the commonwealth to enable them to develop some of their great natural resources. I believe that if we carried out those two or three things, encouraged private investment and had some public investment or made it easier for the old countries to trade with us, we would overcome that situation.

I want particularly to deal with the latter of the two subjects I mentioned, that is the assistance to underdeveloped areas. When Chief Justice William Douglas of the United States supreme court returned from Asia a year or two ago he said the United States had been so busy fighting against communism that it had not tried to fight against the conditions that breed communism. If that is so in the United States, I think some of the figures I have here will point up the fact that it is even more so in Canada. In his speech the other day at page 1851 of *Hansard*, the Secretary of State for External Affairs (Mr. Pearson) said this, when speaking of the recent commonwealth conference:

> The effectiveness of this commonwealth conference cannot, of course, be judged finally until more is known of the measures adopted by individual governments following it, and until further discussions have taken place between its members and other governments, particularly the government of the United States, and with various international organizations, particularly the organization for European economic co-operation. The commonwealth countries have, however, taken a useful initiative. In following it up there will have to be co-operation on the broadest possible basis to ease the necessary but not easy adjustments which may have to be made, especially by some of the members of the commonwealth. In this process the Canadian government will naturally wish to play a full and, I hope, constructive part.

I want to give some figures as to the constructive part the Canadian government has been playing with regard to grants to these areas of the world which need some assistance at this time. I am speaking only of grants, and I shall deal with loans later. During the last four fiscal years, 1949 to 1952, Canada has given in non-military foreign grants a total of $51,765,900, while during the equivalent fiscal years the United States has given $15,817 million in non-military grants. This aid has been given since approximately the beginning of the ECA program in the United States, which started in April, 1948. The Canadian figures, by years, are as follows—I shall not give the odd figures but just the even thousands: In 1949, $5,811,000; 1950, $6,959,000; 1951, $12,313,000; 1952, $26,683,000. In the equivalent years the United States grants have been, 1949, $5,423 million; 1950, $4,620 million; 1951, $3,225 million; 1952, $2,549 million.

Let us take it on a per capita basis; since the United States is a large country and has a much greater population than we have, I think that is the only fair way. On a per capita basis Canada's actual grants during this period were $3.69 while the United States gave, on a per capita basis, $102 or almost 30 times as much as each Canadian. I believe those are rather startling figures. I do not think we in this country have anything of which to be proud in the grants of economic aid which we have made available to other parts of the world. This economic aid has been given through various organizations such as the Colombo plan, the United Nations technical assistance program, and so on. Canada's total grants for four years should have been $1,237,215,000, if we had been giving on the basis of our productive capacity, rather than the meagre $51,765,900 which we did give.

During those years we in Canada were receiving considerable benefits from those grants given by the United States for assistance to Europe and other parts of the world. Many of our agricultural products and manufactured articles were being sold to Europe and paid for out of grants which the United States was making during this period. Canada benefited under ECA through United States offshore purchases from April, 1947 to March 1952 to the extent of $1,136,700,000. During this time we were giving aid to those countries totalling about $51,765,000 and we were benefiting by over $1,136,000,000 in purchases made out of United States funds. During that period we contributed not one cent to direct European aid. Our position is not very strong, therefore, when the minister suggests that the United States must come in with the commonwealth in providing greater sums of money for economic aid to the various parts of the world.

I have a table here showing contributions Canada has made over the past four years. It shows that under I.R.O. we contributed $5,411,000 in 1949; 1950, $5,826,000; 1951, $2,107,000. For Near East relief we contributed in 1949, $73,800; in 1950, $57,400; in 1951, $1,500,000. For post-UNRRA relief we contributed in 1949 about $325,000; under the United Nations expanded program for technical assistance, about $850,000; contribution to United Nations relief and rehabilitation program in Korea, $7,250,000; Colombo plan, $25 million; commonwealth consultative committee on south and southeast Asia, $265,000 in 1952; to provide for purchase and transportation to Yugoslavia of relief supplies in 1952, $43,800; to provide for gifts of wheat or flour as a contribution to famine relief in Greece, some $825,000.

Those are figures for our direct contributions in the way of grants in aid to these countries during the last four years. In view of the amount we are spending and have been spending in Canada on military preparedness, and the budgetary surpluses we have had in those years in this country, I think the amount we have contributed is a miserable figure to try to build up better conditions in the world and to combat communism.

What did we have by way of budgetary surpluses in those years? In 1949 we had a surplus of $595,500,000; in 1950 we had $131,500,000; in 1951 we had $211,300,000; in 1952 we had $249 million, or a total surplus of $1,187,350,000. During a similar period we could contribute in grants only some $51,765,000 to combat communism in other parts of the world.

Let us now see what we did in some other respects, because we did a great deal more than that. In credits, in military relief, including those grants I have mentioned, and NATO mutual aid, we contributed between 1945 and 1952 some $2,410 million. That is a large sum of money. Let us see what the United States did. During a similar period the United States contributed $35,623 million; and in those contributions I have mentioned that we made during that time, the largest single item was the loan we made to Great Britain just after the war amounting to some $1,250 million. In loans and military aid we were somewhere near in proportion to the amounts given by the United States—that is, on a per capita basis—but when it comes to straight grants in aid, we just do not compare with them at all. In other words, the United States have contributed about 30 times as much per capita as have we in Canada.

Let us see what our national defence expenditures were in those years. According to the public accounts, in 1949 we spent $264,820,000; in 1950, $380,948,000; in 1951 $780,204,000; and in 1952, $1,415,473,000. Last year our estimates of expenditure were $2,001 million. This year it is estimated that we will spend approximately the same amount, or another $2 billion. In other words, in the four-year period when we gave $51,765,000 in grants in aid, we spent in military preparedness $2,841 million. I do not think that is a fair proportion or division of the amount of money we in Canada have to spend if we are honest in saying—as the Secretary of State for External Affairs (Mr. Pearson) and the Prime Minister (Mr. St. Laurent) have said on various occasions—that we shall not be able to accomplish the things we want to accomplish unless we can build up the economies of these backward countries, unless we can assist Europe to establish a sound economy, unless we are prepared to see that these countries have a strong economic background on which to base their military establishments and unless we are prepared to see that in Asia and these other countries some technical assistance is given there, because military preparedness is not enough.

With regard to that matter I should like to quote what the minister said on technical assistance under the Colombo plan. As reported at page 1851 of *Hansard* he stated:

> Another commonwealth initiative on which I can only touch at this time, but which I am sure will be given consideration later, is the Colombo plan, which likewise was framed in full awareness of the interests of other countries and other organizations, particularly the United Nations. That plan is now nearing the end of its second year and it continues to be one of the most important and constructive elements in our foreign economic policy.

When I looked over a release of the United Kingdom information office of December 11, 1952 in connection with the Colombo plan, I was rather surprised to find that there was a branch set up to give technical assistance to those nations of the commonwealth. In this pamphlet we find this statement:

> The original members of the council were the United Kingdom, Canada, Australia, New Zealand, India, Pakistan and Ceylon. They were joined as full members in 1951 by Viet Nam and Cambodia, and early in 1952 by Burma and Nepal.

This council is set up for the purpose of giving technical assistance and of organizing in those various countries places of training for personnel who will go out and assist the inhabitants of those countries in building a better economy. It is stated here:

> Co-operation is the key-note of the scheme . . . India has agreed to provide assistance to the value of Rs. 10 million (£750,000) . . .

Pakistan, Ceylon, Indonesia and other countries are putting in similar amounts in order to assist.

> Pakistan has offered a contribution of Rs. 1½ million to cover scholarships, fellowships and the provision of experts and training facilities: it has offered Ceylon four scholarships in sugar agronomy and training facilities relating to a projected vegetable oil mill. Ceylon is to contribute Rs. 1,776,000 for each year of the scheme and is providing training facilities in rural development work and the working of co-operatives.

Here is what I was surprised at, when I came to what had been done by the various countries:

> As on 31st August, 1952, the services of 80 experts and training facilities for 658 persons had been offered and accepted under the scheme. The allocation of experts was as follows: India—15; Pakistan—36; and Ceylon—29.

Then listen to this:

> The supplying countries were the United Kingdom—39; Canada—4; Australia—21; New Zealand—13; and India—3.

When it comes to supplying facilities for training in the field, this is the situation:

> The facilities were provided by the United Kingdom—207; Canada—95; Australia—218; New Zealand—107; India—30 and Pakistan—1.

I do not think we have anything to be proud of in that record; but I want to be fair. I want to point out that Canada, in providing these experts, decided that she would use the

technical assistance program of the United Nations in providing the facilities. In *Canada and the United Nations*, 1951-52, at page 48, we find this statement:

> In an effort to co-ordinate its own participation in the expanded program, Canada sought to obtain the agreement of all the participating organizations to channel their activities in recruiting experts or in placing trainees in Canada through the technical co-operation service which had been set up in the Department of Trade and Commerce. By June 1952 a total of 54 trainees had been sent to Canada by the technical assistance administration for training in fields which included public administration, agriculture, hydroelectric power development and social welfare. These students have come from such countries as India, Pakistan, Cuba, Finland, Brazil, Uruguay, Burma, Venezuela and the British West Indies. By that date 24 experts had been recruited from Canada by the technical assistance administration and the specialized agencies.

If we total up the experts we have placed at the disposal of both these schemes, and if we add the trainees that we have accepted in Canada, some 58 trainees from all of Asia and these other underdeveloped countries, up to June, 1952, it does not seem to me that you get a reasonable contribution on the part of this government to building better technical understanding and better relations with the countries in the Far East and the Near East. It seems to me that, with the facilities we have here in Canada, we should be able to do much more than we have been doing to date in the training of personnel in this country and in the bringing of individuals from these backward countries for training in Canada.

I am convinced that if we are to meet the threat of communism in the world today, the only sensible way to do it is to bring some of the young people from these countries over to Canada, to the United States, to Great Britain and to the other democratic countries and show them what we have here, show them that we have a system that works, that we have a system that provides plenty. If we fail to do it, then make no mistake; Russia is not going to fail to do it. She is not going to fail to take them to her country and give them every opportunity, and try to show them that they have a better system than we have.

In my estimation that is the only way we are going to get value for the amount of money we are spending on military preparedness today. To get value we have to build up the economies of these countries so they can assist themselves. So far I do not think that we in Canada are doing anything like what we can and should do in that regard.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, an ordinary backbencher hesitates to participate in a debate dealing with external affairs.

[Mr. Wright.]

We are aware of the fact that this particular area of interest involves a very complex field indeed.

As I have sat in this house and listened to debates on various topics I have been encouraged as a backbencher to feel that I might be able to make some small contribution to this discussion, because I find that ability or expert knowledge is not necessarily equated with the length of speeches on any particular topic. As a matter of fact, in a little aside that went on just before I rose to my feet, someone near me expressed the thought that he was not taking part in this debate because he had only one idea on the subject and he did not think that was adequate resources. The rejoinder was that very often this particular person had spoken on a subject with more limited resources than even one idea.

I rise to deal with this topic because actually it is the most important problem that faces hon. members. If we do not solve the difficulties of external affairs, obviously of course we will solve nothing. We are blessed today in Canada, as well as the people in other parts of the western world, with the most incredible material progress that mankind has seen. During the past 200 years the west has passed through a state of progress, so far as material and technical civilization are concerned, that is almost beyond the capacity of the mind to grasp.

In 1750, if we go back that far, if we were to look at the conditions of the peasant in either Europe or Asia, we would find that actually there was very little to distinguish between the two. Today there is absolutely no comparison at all. What is most disconcerting is that we have emerged into the post-war atomic era and we find that the speed of technological change has increased rather than diminished. It has brought western nations to a fundamental crisis which I suppose could be called a moral crisis rather than anything else, in that our moral development and social intelligence have failed to keep pace with our material development.

So far as the sphere of political activity is concerned, we have noted, in the internal situation as well as the external, the tendency toward increased concentration on political power. In the field of external relations we find today, if we were to try to sum up the problem in the simplest terms, two great world powers facing one another and not on very amiable terms. We have the U.S.S.R. and its satellites on one hand, the eastern group; and in the other, the western group, we have

the United States of America and her associates. I use the term "satellite" and "associates" to distinguish the relationship that exists between the Soviet and those within her sphere of influence, and the United States of America and the countries which come within her orbit of influence.

Actually, either of those world powers—and they are just that, world powers—could exercise world control without any difficulty at all, were it not for the existence of the other. We have the means of communication and transportation, as a result of developments on the scientific and material levels, that would make it possible for either of those powers to achieve in concrete political terms what has been the overwhelming desire of world powers from the beginning of the history of mankind. Therefore when the hon. member for Melfort (Mr. Wright) makes reference to the positive attitude of this group toward the United States of America, I do not think he can infer that we have necessarily allowed ourselves to be completely dominated, to come completely under the control of that particular sphere of influence. I think actually the situation is the result of political reality. Whether we like it or not, the United States of America is leading the western nations in the struggle for world domination between communism and the western democracies.

What is most difficult in this problem is the fact that today, in dealing with political matters, we are faced with the threat of atomic warfare. In listening to Mr. Truman give his last statement to Congress before he retired from the presidency of the United States, I was interested in a particular point. He said something like this, and he addressed his remarks directly to Stalin. I do not know whether that gentleman was listening, but Mr. Truman intended the remarks for Stalin's ears. He said:

> You claim belief in Lenin's prophecy that one stage in the development of communist society would be war between your world and ours. But Lenin was a pre-atomic man who viewed society and history with pre-atomic eyes. Something profound has happened since he wrote. War has changed its shape and dimensions. It cannot be a stage in the development of anything save ruin.

I am sure hon. members in this chamber will agree with these words of the former president of the United States that today war can mean only inevitable ruin for civilization. We have within our grasp the power to incinerate fifty million people within a space of five minutes, if it ever happens that the hot war should break out in full intensity.

It is because of this that I feel the present debate is of the utmost importance and, as a backbencher, I am going to make some small contribution to the discussion. The interest aroused from this debate, as the various points are discussed in the chamber and in the press, will create in the minds of the public an awareness of the gravity of the situation.

It seems to me that in Canada we have been more preoccupied with our own material development and prosperity than in acknowledging our obligations, as we are confronted with this extremely grave external situation. I suppose politicians—not necessarily those on the opposition side—have been more at fault than others for having stirred up a false sense of well-being and security, and for having harped constantly on the theme of Canadian prosperity. Our prosperity is meaningless if we do not do something to solve the very difficult problem that, as an autonomous nation within the framework of the British commonwealth, we are forced to face.

My thinking on the matter has been shaped largely outside this chamber. I have not had the opportunity to sit through many debates on external affairs during my membership in the house. Many of the ideas I shall bring forth were formulated in the weird and wonderful period immediately following world war II. Those of us who served in that war were deeply interested in what was then popularly described as the winning of the peace. It was said that a military victory was useless unless we were equally successful in winning the peace. Everyone was heartened as we saw the United Nations take shape to deal with problems affecting international relations.

Unfortunately, as has been indicated by several speakers in this debate, the United Nations got bogged down in fuzzy idealism. After the second world war we believed, as we did after world war I, that the world had been made safe for democracy. The original claim of the United Nations, unfortunately, has not been realized in actuality. I do not believe there was anything sinister in connection with what happened when the United Nations was formed. Actually, as I have already pointed out, the same attitude prevailed at the time of the formation of the league of nations after world war I. I do not think there was any world conspiracy that dominated that organization. Rather it was apathy, lack of interest, lack of understanding and comprehension on the part of those who were responsible for guiding the affairs of the world.

For example I believe it was President Harding who refused even to acknowledge communications from the league of nations, and it was such apathy, lack of interest and

isolationism that sabotaged that organization. I do not think there is anything sinister in what occurred in respect of the league of nations. It was a matter of indifference; and perhaps during the twentieth century ideas emerged preventing the real issues from being faced by those who were most responsible for carrying out the early negotiations of that international body.

Today, as the result of failure by the United Nations to grapple successfully with the problem of winning the peace, we find ourselves in a cold war period. In this changed situation the borderline between peace and war has become somewhat blurred. When the house commenced its deliberations this afternoon, for example, an effort was made, through a question asked in the house, to ascertain whether or not we are now actually engaged in war.

While we were indulging in wishful thinking the Russians, true to form—and had we had any knowledge of history we would have expected it—seized the initiative and succeeded in building up a buffer of "friendly" satellites. This was done with very little effort on the part of Russia. At that time the west had neither the power nor the will to resist. Actually, if we had had an understanding of the communist world movement we should have been aware that this condition of affairs would have developed; because communism, as an ideology, must be recognized as a world religion. One of the strong motivating factors in the communist idea is the religious faith it arouses in its devotees. It appears to have great strength in areas where there is a religious vacuum; and we know there are many religious vacuums around the world today.

In addition to the religious aspect of communism it is utterly and absolutely opposed to what is sometimes described as western capitalism. It has as its fundamental objective the extermination in any way possible of the capitalist form of society. Communism has its imperialistic aspect. For example, it is significant that the only countries that have been brought within the scope of soviet influence by internal disorder have been China and Yugoslavia. Yugoslavia is now afflicted with an interesting disease called Titoism, and it is hoped that China, that vast and mysterious country of the east, will become afflicted with the same political illness. It seems inconceivable that China will allow herself to remain indefinitely the puppet of the political manipulators in Moscow. An understanding of the true nature of Russian communism, as well as its religious and imperialistic aspects, should have put us on the alert, so far as the post-war activities of that nation are concerned. Instead of that, both at Yalta and at Potsdam, as has been indicated in this debate, we took the attitude of compromise and conciliation, an attitude similar to that taken toward the nazis before world war II. At that time the slogan was: Let's not be nasty to the nazis. This time it was: Let's not be nasty to the soviets. We indulged in wholesale disarmament while Russia, very easily and without much effort on her part, was gobbling up the countries within her immediate sphere of influence. And it is only recently, since the reorganization of the cominform in 1947, that we have begun to stiffen our attitude toward communist imperialism.

Today we have the soviets at bay in the west since the formation of the North Atlantic Treaty Organization. It is rather an encouraging sign that since NATO was established there has been every evidence of increasing solidarity in western European countries. It is almost possible to conclude that the situation, so far as Europe is concerned, has been stabilized because at long last the western powers have awakened to the reality of Russian intent and they are offering firm resistance to any further encroachment by that world power.

Today Russia has been stopped temporarily in the west. I think the reason she has been stopped is because she realizes that she can make further gains in Europe only at the risk of open conflict. Surely responsible leaders in Russia are no more happy about the prospect of atomic warfare than are we in the west. She came very close to absorbing France and Italy within her sphere of influence. I repeat that we owe much of the relative stability in western Europe today to the wisdom of those who were responsible for promoting the NATO plan.

The question is, can it last? The communist plan is a fluid and mobile one. It was General Eisenhower, when in charge of the European army, who said that Europe cannot be defended unless she unites. Now that General Eisenhower has become president of the United States I imagine he still holds that viewpoint in connection with international affairs and is still of the opinion that we cannot defend Europe against further Russian encroachment unless Europe does unite. I think that could account for the recent statements by the secretary of state, Mr. Dulles, in Europe, when he emphasized the necessity of European union in order to preserve the situation as it stands at the moment.

So much for Europe. I have listened to this discussion with a great deal of interest, and have realized that Europe and NATO have been considerably in the background.

Our attention has been focused upon east Asian matters precipitated by the recent announcement concerning Formosa. I do not think we can call what is taking place in east Asia a cold war. The term "cold war" as I have indicated suggests a blurred understanding of what is actually peace and what is war. The minister of external affairs has referred to Korea as a police action. As I read the reports from that area and try to keep in touch with the situation it seems to me to be a pretty hot police action, almost hot enough to be called a hot war.

Unfortunately the situation in Asia is not turning out as well as it has in western Europe. The situation in Asia as represented by the stalemate in Korea is weighing heavily against the democracies. It is a very delicate situation indeed, because there we have not the background of democratic traditions and type of thinking that we found in the west which made it possible for the western powers to come together once they were made aware of the imperialistic drive of communism.

In Asia it is more than a case of communism versus democracy. In the eastern part of the world we have been witnessing during recent years, ever since the west became interested in the Orient as a matter of fact, the beginning of an industrial revolution with its consequent effects upon nationalism and racialism. What is taking place in Indo-China, Indonesia, Malaya and throughout the east, and also to a certain extent in China, is the result primarily of influences that have come in from the west.

The missionaries who have gone there have preached the fundamental ideas of Christianity, the fatherhood of God and the brotherhood of man. Those ideas have had a tremendous impact upon the Asian people. Not only have we sent religious missionaries; we have sent political prophets who have expounded the principles of freedom and liberty to people who have no background of democratic thought or experience. Then our commercial salesmen followed in the wake of the missionaries and introduced the peoples of the east, who I suppose were at a stage of economic development which could be compared to that existing in Europe some four or five hundred years ago, to the material benefits of our western way of life.

It seems to me that the real difficulty in the east arises from nationalistic sentiments. I think it is obvious to those who are familiar with the situation that the events that have been taking place in China over some decades, but more recently since world war II, are interpreted by the people of east Asia as a triumph of Asiatic nationalism over what they call western colonial oppression, and it is very easy for Russia to sell that notion to the Chinese people. The people of the east are very suspicious of the motives of the western nations as they endeavour to stabilize an extremely difficult situation in that part of the world. I suppose they have cause to be suspicious, because it is not so many years ago that the western powers were carrying on what might be termed colonial oppression.

The crux of the matter, as I see it, in east Asia is what is going to happen to the 800 million people who are still outside the orbit of soviet influence. They are being weighed in the balance at the moment. We do not know whether they are going to move in the direction of the western democracies or be inveigled by the false promises of liberty and economic benefits which Russia and communism can hold out before the eyes of these people. We have found that communism is capable of being all things to all people until it actually takes over and is in political control of the situation. That seems to be the crux of the matter. What happens in regard to the east as negotiations are carried on at the United Nations is going to determine very largely the direction in which the people will turn.

So far as China is concerned, it used to be thought that the social and political revolution that has occurred in that country was merely a continuation of the agrarian reform movement that has been going on for a long time in that country. But today, as we see the participation of the Chinese communists in Korea, we cannot fail to recognize that behind that effort is the subtle manipulation of the Soviets. We are faced with a situation very similar to that which confronted us shortly after world war II. The pressure that was formerly exerted on the satellite countries of Europe is now being exerted in Korea; and as I have indicated, the situation has been exploited very favourably by the Soviets thus far on their own behalf.

If it is true in the east, as it was in the west, that the Soviets only understand a firm voice, I do not think we need become too disturbed and this is an opinion that has already been expressed by the hon. member for Peel (Mr. Graydon) about the recent United States action with respect to Formosa, because to me it merely seems to indicate that the pressure that was applied in the west is now going to be applied in the east. We must remember, of course, that there is greater danger of open conflict in the Asiatic situation because of the nationalism and

racialism and the social and political upheaval I have briefly outlined. However, inasmuch as Russia responded to increased pressure in the west, why should she not react in the same manner to increased pressure in the Asian sphere of influence? A firm voice in the west brought results. If Russia shows the same reluctance to face an outbreak of hostilities that she did in the west, surely she will be reasonable enough to withdraw from a situation that could be made untenable once the western powers indicate their real intent there.

We must always remember, of course—and this is a difficulty no one can resolve—that no one can decide what Russia is going to do. Actually the answer is in her hands, and it might be that with madmen in authority she will precipitate the world into the ruinous war, a war that everyone fervently hopes will never occur, because it is a foregone conclusion in this atomic age that war can only result in ruin for all the peoples of the world.

It has been suggested by this group that a positive contribution toward the stabilization of the situation in Asia might be made by the creation of a pact or organization similar to that which was established in western Europe. The minister has been reluctant to meet the situation head on with a pointblank statement. We have been faced with embarrassing unilateral action on the part of the United States. Much of the discussion that has gone on in the house has been of a speculative variety concerning the true intent of that country, whether they are going to push the struggle in the east right to the limit, which means open warfare, or whether their action merely reflects a stiffening resistance. Apparently we do not know, mainly because we were not consulted.

It seems to me that the success achieved by NATO in stabilizing the European situation might also be realized in the east if we were able to get together in some form of Pacific pact or organization. In order to avoid the possibility of armed conflict, certainly everything in our power must be done. If a Pacific pact can help, it seems to me it would be a logical step in proceeding toward some form of political machinery for resolving by negotiation and agreement the difficulty that exists between the two world powers, these two gigantic spheres of influence, the U.S.S.R. on the one side and the United States on the other. As to the question of who shall join such a Pacific pact, that would resolve itself as the organization took shape, just as it has in the case of NATO which now extends its sphere of influence far beyond the immediate geographic area of the Atlantic.

In the immediate post-war period after world war II we talked about winning the peace, we talked about one world or none. The slogan "one world or none" is just as applicable now as it was in those days. The United Nations must succeed. It is the ultimate hope for carrying on international negotiations by peaceful means. At the moment it is blocked because of the difficulty that has arisen between the eastern and western spheres of influence. We must work toward the establishment of some form of political machinery whereby international affairs can be settled by discussion and agreement and not by participation in a devastating war.

I say again that here is the heart of the matter. It is essentially a moral problem. Because of the rapid rate of scientific and materialistic progress we have been precipitated violently into a world in which we have neither the social intelligence nor the moral integrity to handle the problems that have developed. That gap must be bridged if humanity is to survive.

Mr. H. A. MacKenzie (Lambton-Kent): Mr. Speaker, I had not intended to take part in this debate on external affairs until I saw in the press this morning that the debate was to be concluded today. Therefore I thought I should like to make a few observations at this time. It seems to me that this is a great day for the backbenchers, because they are taking part in the debate at the present time.

First of all I want to extend my congratulations to the Secretary of State for External Affairs (Mr. Pearson) on being chosen president of the seventh session of the general assembly of the United Nations. It is a great tribute to him in his own right and a gesture of good will to Canada as well. I am sure that he will preside at the meetings of the assembly with firmness and efficiency that will bring credit, as has always been the case at external affairs meetings, not only to himself but to the great dominion which he so ably represents.

I am not going to take much time to debate the different problems that confront us in respect to external affairs. I am not going to talk about the great problems confronting NATO, or the problems of the Near East and Middle East, great as they are, because they have already been discussed by members of the house who are much better qualified to do so than I am. I do not profess to be an expert or even an authority on external

affairs, because it does seem to me that is a line of study that is available to very few people.

I do want to make some reference to the situation in the Far East and the recent change in policy made by President Eisenhower, which has caused a great deal of consternation throughout the world because of the fear that the government of the United States may take further action in this regard which, without bringing to an end the war in Korea, could easily develop into a third global war.

In referring to that, I should like to quote briefly from an editorial that appeared a few days ago in the *Citizen* which I felt summarized the matter very well. It reads:

> Reassuring statements in Washington have as yet only partially allayed British and west European alarm at President Eisenhower's decision to end the "neutralization" of Formosa. The disturbing fact is that unilateral action by the United States in the Far East cannot be kept separate from United Nations action in Korea. For Canada, with its American, commonwealth, and U.N. links, the situation is particularly difficult. But now is the time to take a stand, and in parliament on Wednesday the external affairs minister, Mr. Pearson, made plain that Canadian exertions in Korea are for no other cause than that of the United Nations.
>
> The complicating factor is United States foreign policy, which has been developed at the same time as the Americans have given the U.N. leadership in Korea. Regarding the Chinese communist victory as defeat for that policy, some Americans have continued to hope that the restoration of Chiang Kai-shek's regime, now on Formosa, might be engineered or assisted. So the Truman administration simultaneously rallied the U.N. to defend South Korea and sent a fleet to protect Formosa, lest the mainland Chinese should think the situation ripe for an attempt to conclude the civil war by an attack on Chiang Kai-shek.
>
> The United States alone preserved and built up Chiang's forces, while not preventing them from making minor raids on the mainland. It has now released them for any larger enterprises that may be considered feasible, and has promised increased aid. The theory is that China may be forced to come to terms in Korea. But this policy plays into the hands of those in the west who want the western nations to try to reverse the Chinese revolution, and indeed to achieve the effective restoration of their former power throughout most of Asia. It would be likely to consolidate communist Asia, Russian and Chinese, since anti-western feeling has contributed powerfully to communist success. It would alienate non-communist Asia, where suspicion of the west is still strong. The spread of fighting might result in a major war.
>
> Mr. Pearson has very likely foreseen all these dangers. He has reiterated the Canadian government's view that the concern of the United Nations is not to intervene in Chinese affairs, not to spread the hostilities, but only to protect South Korea. This position is likely to commend itself to parliament.

I was in New York early in December, and while not there as an official delegate of Canada I spent several days at the United Nations assembly and attended political committee meetings from time to time. When the Indian plan was presented as a means of ending the Korean conflict I hoped that this would be accepted by the Russian delegates and their satellite nations, who were the spokesmen for the Chinese and North Koreans on that occasion. Since this was an Asian plan and was promoted by a free state, it could not in any sense of the word be considered as an imperialist plot. I felt that it would surely be accepted. But after listening to the spokesman for the Russian delegation, Mr. Vishinsky, in his tirade against this plan, I knew that it would not be accepted.

The plan represented a compromise safeguarding the principle of non-forcible repatriation of war prisoners, while conceding to the Chinese the right to have representatives from two communistic countries on the screening committee. The rejection has made a negotiated peace much more difficult than ever to achieve, and has increased the danger of the Korean conflict spreading. Undoubtedly this change in policy by the United States was designed to relieve the pressure on the Korean front which could, in turn, convince the North Korean and Chinese communists that the stalemate in Korea could not continue much longer, and that peace would be much more desirable. This action on the part of President Eisenhower would seem to eliminate all the provisions of the Cairo agreement that was signed in 1943 by Churchill, Roosevelt and Chiang Kai-shek, the leader of the nationalist government.

Under the terms of that agreement, Formosa was to be returned to the Chinese republic after the cessation of hostilities. The situation is most difficult because the United States still recognizes the nationalist government that operates from Formosa as the government of China, yet Great Britain, whose government is still headed by the same man who signed the Cairo agreement, recognizes the new communist regime. The United States policy can only be interpreted as one that allows the nationalist government to carry on its operations against the mainland, and also assists it with arms, war munitions and material. At the same time the seventh fleet could be used to protect Formosa from any attack from the mainland of China. This could lead to a global or third world war which, if at all possible, we want to avoid.

On former occasions I have spoken in this house regarding the situation in China. I do not think it would serve any useful purpose to thresh old straw. I do not believe it would accomplish much to go over the merits or

demerits of the former regime in China, because I believe they have been well established in the world at large. I do believe there are a few basic facts that should be pointed out. In reading *Hansard* of Friday night, I believe it was, I noticed that the member for St. John's West (Mr. Browne), in speaking of the nationalist government of China, said they had the same ideas we have. This afternoon I was amazed to hear some members state that the late Franklin Roosevelt was a much overrated man. Personally I was a great admirer of the late Franklin D. Roosevelt. I recall the occasion upon which he visited this parliament, and one of the things that was a revelation to me was that a man who had such a physical handicap would carry on in the service of his country and make such contributions to his fellow men during his lifetime.

As I said, I was a great admirer of the late Franklin D. Roosevelt. One of the things that impressed me was the statement he issued regarding the four freedoms of our democracy, freedoms of which he was the champion and the director. The first of these was the freedom of speech and assembly. The second was the freedom of worship. I was in China for almost two and a half years, and I would say that freedom of worship was in evidence all over China. In Shanghai there were many, many churches. I remember that in the old French concession, in what we called the Zeg Wai district, the Catholic church had a very large organization. They had schools for boys and for girls; they had a nursery started. We went there many times because we, as a relief and rehabilitation organization, on many occasions had given them relief supplies in the nature of clothing and flour.

I visited the cathedral there. Next to Notre Dame cathedral in Montreal and one in New York, I think it was the greatest cathedral I was ever in. There was freedom of worship in all of the different communities throughout the city. They worshipped there as they cared to. In the community centre, which was part of the old American zone, the community church was there, and I used to attend the community church service. When there one Sunday—and I am sure my friend the hon. member for Macleod (Mr. Hansell) would be interested in this—I heard the late ambassador to China, Leighton Stuart, make an extremely fine address. I think that was in July, 1947. Today the local temples are, I believe, still open for worship as they were on former occasions; but the missions and the churches that have been conducted by the people of foreign districts or of foreign lands do not enjoy the freedom of worship they had when I was there.

Of course this question about the nationalist government and its merits or demerits is something that was a political question in the United States. As a matter of fact, during the last presidential election the matter was discussed at some length and people took both sides, and did so rather heatedly. There were honest opinions expressed, I have no doubt, on both sides, and that was their right. But when we think about these names that have been prominent in China for so many years: T. V. Soong; Dr. T. F. Tsiang; Dr. H. H. Kung; K. C. Wu and General Claire Chennault, many of them recall old acquaintances that I had when I was in that Far East country. Mr. Wu was at that time mayor of the city of Shanghai. He did a good job. He is now the governor of Formosa. It is unfortunate that he was not there in the first place, because he probably could have avoided that most disastrous massacre of the people which was conducted by the former governor.

As to Major General Chennault, I met him on several occasions, and had the privilege and pleasure of meeting him one night and entertaining him in one of the hotel rooms. He was at that time the president of the civil air transport, CAT. He was doing quite a large commercial business there. They eventually amalgamated with another commercial air line, and they had almost a monopoly on the commercial air lines in China.

When the generalissimo took over the Chinese republic, the first president of the executive council and practically the premier was T. V. Soong. In 1928 he took over, and he held that position until 1933 when H. H. Kung replaced him. Both these men, by the way, were brothers-in-law of the president. He was kept in power until 1944, when Soong was again re-established as president and premier of the Chinese republic.

When I arrived in China in 1945 T. V. Soong was the president of the executive union and also the premier. We distributed a great many relief supplies to the Chinese people. T. V. Soong at that time was the man actually in charge. He tried, to some extent, to control the provisions that were sent over under the United Nations relief and rehabilitation program. I well remember that in 1946, when 550,000 bales of cotton were distributed in China in order to rehabilitate the industry and also to provide relief clothing, 75 per cent of that cotton was distributed among Chinese-owned mills

which were actually T. V. Soong and company's mills; because they took over the former Japanese mills in Shanghai and operated them under the name of C.T.I.I. or China Textile Industries Incorporated. They made much of that cotton into uniforms for the armed services. Of course that was completely contrary to the terms of the contract that was made for the distribution of those supplies.

The director of the CNRRA organization which, after all, was under the control of T. V. Soong, was Dr. T. F. Tsiang. I have not my records here so that I can be exact, but during that period a protest was sent to Washington in order to stop the supplies coming into China until there was some clarification of where they were to go. These were held back for some time, but later they were released.

Most people now admit that any amount of aid sent to the Chinese nationalist forces when they were in power could not have saved them. Mr. Acheson said in a press release that from 1945 to 1951, I think it was, some $2 billion or more of aid was authorized to go to the Chinese republic. Those supplies positively, in many cases, were sold. Whole regiments that were equipped with United States equipment went over to the communists of that time, so that the supplies the United States shipped over at that time played as large if not a larger part in the overthrow of the nationalist government than did the supplies they received from Russia, though Russia unquestionably gave them supplies.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. MacKenzie: Mr. Speaker, when the house rose at six o'clock I was discussing some of the reasons why, in my opinion, we had lost China as an ally. As a matter of fact, during the first year of the Korean war much of the equipment captured by the allies from the North Koreans was of United States manufacture. It is generally agreed by those who look at this in a realistic way that the war in China could never have been won unless the United States had taken an active part in it and had complete control of all the supplies and equipment they sent in there from time to time.

The question is asked, is the situation much better today? Toward the latter part of 1949 Madame Chiang came to the United States. On January 8, 1950 she gave a farewell broadcast from New York, and I was fortunate enough to hear it. That night she was very critical of the position Great Britain had taken. She definitely intimated that the recognition of the communist government was of a mercenary nature; that that was what led Great Britain to recognize the new regime in China. She mentioned the fact that Great Britain had possession of Hong Kong and other places that meant so much to her. But she forgot to mention that many of the Asiatic countries had also recognized the new regime. She forgot to mention that many European countries such as Holland, Denmark, Switzerland and Sweden could hardly be regarded as communist countries, and they had recognized the new regime in China.

In 1950 I went to Lake Success; and when I went to the security council and saw the delegates there in their permanent seats I was actually surprised to find as China's permanent delegate my old friend Dr. T. F. Tsiang whom I knew so well in China and with whom I had quite a few differences in regard to the distribution of materials among the war-devastated and war-ravaged areas of China. According to our contract these supplies were to have been distributed without discrimination as to race, creed or political differences, but of course that is something they just did not do.

If China had been recognized at that time the question is often asked would the situation be any better, would the conditions be any better than they are now. That is a question no one can answer. It is futile even to prophesy as to what would have happened. But I will say this. I do not see how it could have been any worse, at any rate. By recognizing the government of China you would not be approving or disapproving the type of government they had. You would be only acknowledging a fact that already existed. You would be acknowledging that they had restored some order and that they had control of the situation, and that is all that would have been implied in recognition of the government.

I remember sitting in the delegates lounge during 1950 and talking to some of the United States delegates. They said: "Of course we would not recognize a gangster mob. That is something we will not do. How do you expect us to recognize a revolutionary gangster mob?" I remember exactly what they said. They said: "Why these people are in the Al Capone and Frank Costello class." I said: "I quite appreciate that, but don't forget that in 1917 the Russians had probably one of the cruelest revolutions of all time, in which they liquidated their rulers and took

their property. It was one of the wickedest in all history; still you have recognized them for the last 17 years; you are in full diplomatic relations with them." The fact is, if you go back into history you will find that Chiang himself came into power in the same way. That was hardly a good enough reason for not recognizing China.

What is the situation today? When I was in New York in December I made some inquiries about my old friends whom I knew in China. They probably would not recognize me. As a matter of fact I never met Dr. Kung, but I did meet T. V. Soong. He was a very charming personality. I made inquiries about where they were and what they were doing. I was told that they were settled down in New York. They are pretty well established there. As a matter of fact they are very wealthy. They told me too that Madame Chiang was still there, although I have no proof for that statement. The two brothers-in-law of Chiang, T. V. Soong and Dr. Kung, have become very wealthy, because for a long time they were not only premier and minister of finance of the country, which is a great combination, but they did have a tremendous amount of money. They are conducting and directing one of the most powerful lobbies that has ever taken place in the United States not only in Washington but at the United Nations as well.

I hold in my hand a magazine that is published in New York called the *Reporter*. This magazine can be obtained in the reading room. In the issues of April 15, 1952 and April 29, 1952 you will find described the most powerful lobby that has taken place in many, many years. They know that the old regime cannot possibly be reinstated in the Chinese homeland unless there is all-out revolution, unless there is a war. That is the only hope they have of being reinstated in their former status. I noticed that in the political committee, when the final vote came on the Indian proposal for peace in Korea, the Chinese delegate abstained from voting.

There are very few of us who fully appreciate that communism in some of these underprivileged and backward countries has a much greater appeal than it has to the people of Canada. I venture to say there is no one in this chamber this evening who knows very much about the pangs of hunger, who knows the devastating effects that hunger and want and privation have on a people. But those people know. And of course communism has a great appeal to them because it promises them a better way of life. It promises to free them from their economic chains. It promises to give them a better standard of living. Naturally, with nothing to lose, they take a chance on it. They do not appreciate that the first objective of communist doctrine is for the state to get complete control of the individual. The second objective is to obtain complete domination over all the people.

In the final analysis the object of communism is world power, bringing with it concentration camps and slave labour. That is something these underprivileged people have not yet realized. Has that stage yet arrived in China? I do not think so, and I believe that with the help of the United Nations that old land may possibly be reinstated.

So in conclusion I ask this question. Do the peoples of the free world want to win China from Russian domination? The answer obviously is yes, that it must be done. Surely we can find some champion of our way of life, our Christian democracy, among the Chinese people, without trying to reinstate the old regime which, in my opinion, will never bring about that condition. Because, eventually, China will break from Russia.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wish to take part in the debate tonight to support what has been said by hon. members of this group who have already spoken. We are interested chiefly in the situation in Korea, in doing everything possible to prevent an extension of the war and in doing everything possible toward bringing it to a speedy end.

I believe the hon. member for Cariboo (Mr. Murray) made an excellent contribution to the debate when, among other things, he pointed out what Canada could do by way of economic assistance to Asian countries in order to promote good will and democratic principles in those areas.

I was not able to be in the house on the days the Secretary of State for External Affairs (Mr. Pearson) made his survey of international affairs. However, I read his speeches on both days and, in the main, I believe I can agree with what he said. I felt, however, when reading his speeches, that he should have taken a firmer stand in regard to the Eisenhower instruction to remove the seventh fleet shield from the Chinese mainland.

I gained the impression from reading the minister's speech that he was sitting on the fence, but leaning toward the position taken later by the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Winnipeg North Centre (Mr. Knowles). We in this group certainly view with alarm the recent order by President Eisenhower in regard to the seventh fleet. Not only do we feel that it was a mistake

but, in common with other members in the house, we have seen statements by other prominent Americans suggesting such things as a naval blockade of the Chinese mainland, air and naval support for Chiang Kai-shek, and the use of new weapons. We are fearful lest this first action by President Eisenhower be followed by actions of the kind I have just mentioned that might, in fact, extend the war to the point where we would be definitely involved in a war on the Asian continent.

We are certainly opposed to any such further steps as might lead to that terrible result. We feel President Eisenhower's order was a mistake, not only because we do not agree with it but because, as we understand it, it was arrived at after very little consultation with the other members of the United Nations involved in the current police action.

I do not think the United States can support United Nations action in Korea and say, on the one hand, that it is the action of the United Nations, and on the other hand feel free in some other way to take unilateral action connected with the Korean conflict. Either the action in Korea is a United Nations action or it is not; and so long as it is a United Nations action we feel that any decision should be taken only after consultation among the nations involved and after general agreement has been achieved.

In the United Kingdom, for example, both the Labour party and the Conservative government are opposed to the recent United States action. I see in a Canadian Press dispatch from London appearing in the Regina *Leader-Post* of February 3, the following:

> Foreign Secretary Eden said Tuesday Britain feels the United States decision on Formosa will have "unfortunate political repercussions without compensating military advantages".

I have seen press reports of the debate that took place at Westminster. Certainly the Labour party is opposed to the Eisenhower directive and feels that it is fraught with the greatest danger. It has been suggested by prominent people in the United States that there should be a blockade of the Chinese mainland. When the blockade was being discussed in the United Kingdom parliament Mr. Herbert Morrison asked a number of questions of Mr. Eden. He asked what the United Kingdom government would do if Chiang Kai-shek, in a blockade he might undertake, interfered with British ships. And he asked this question:

> Supposing forces of Chiang Kai-shek conducted a blockade against the Chinese mainland and interfered with British merchant shipping peacefully going about its business? I would like to ask the foreign secretary to inform us what Her Majesty's government would do. What does the Royal Navy do?

And again:

> Replying to that part of the speech, Eden later said "Her Majesty's ships on their lawful occasion would always be protected—that is the duty of any government of this country."

We sincerely hope that such protection by the United Kingdom of British merchant ships will not be necessary, but the discussion in the British House of Commons demonstrates how serious is the United States action and the great danger that is involved.

I think it is important for us in the western world to cultivate the friendship of non-communist Asian countries such as India and Pakistan. I think it is particularly important that we co-operate with India, and any action by the western world that is opposed by India should be taken only after the most serious consideration. Here we have United States unilateral action which is opposed by the government of India. The Montreal *Gazette* of February 12 contained a dispatch from New Delhi, as follows:

> The Indian government views with "grave concern" the recent developments in the Far East following the United States government's withdrawal of the seventh fleet, President Rajendra Prasad said today in an address to a joint session of parliament.

And the concluding sentence in the dispatch reads:

> The address made it clear that Prime Minister Nehru's government totally disapproved of Washington's decision.

I think we are all anxious to have the war in Korea settled. I think we are all anxious that it should not be extended, and I think we should give more regard to the views of the governments of India and the other Asian nations in the free world.

I listened to the speech just delivered by the hon. member for Lambton-Kent (Mr. MacKenzie). Because of his experience he is better qualified than I to comment on the Chiang Kai-shek regime, either as it existed on the Chinese mainland or as it presently exists on Formosa. I noticed that he referred to the China lobby in Washington and the people associated with it as the same old crowd. He went on to say that Chiang Kai-shek and the same old crowd could not be reinstated as the government of China without an all-out global war. That is certainly my view. I feel that anything done to reinstate Chiang Kai-shek in China is not only impractical and probably impossible, but would mean the loss of support and good will among other Asian countries.

I have referred to statements by United States leaders. I should like to quote from a

special dispatch to the New York *Times*, dated Washington, February 8, from Clayton Knowles as follows:

Senator Robert A. Taft of Ohio, Republican leader of the Senate, added fuel today to the major foreign policy debate, now shaping up in Congress, by declaring that the United States already was "at full war" with communist China.

For this reason, he asserted, neither the bombing of Manchurian supply bases north of Korea nor a blockade of the China mainland could be expected to extend the war.

He said he thought a blockade was "desirable" if it could be worked out "without too great international complications with our allies."

There it is. Senator Taft, the Republican leader in the United States Senate, is advocating a blockade of the Chinese mainland and saying that the United States is already at full war with communist China. There is another dispatch in the New York *Times* of February 8 as follows:

Senator William F. Knowland of California, chairman of the Senate Republican policy committee, said today the United States, alone if necessary, should blockade communist China to increase allied pressure for Korean peace.

And again:

"We should have the co-operation of the British and French in a blockade," Senator Knowland said.

And again:

But if such co-operation is not forthcoming I think we could carry on a unilateral blockade.

I listened to a radio news report last night which said that Senator Knowland had just been on a television broadcast and had reiterated his demand for a blockade of the China coast. We in the C.C.F. are opposed to such blockade because we are afraid it would lead to an extension of the war; we feel that it is impracticable unless shipping could be prevented from reaching the Russian port of Vladivostok because unless that were done commodities would still arrive on the Chinese mainland. Moreover, any such unilateral action by the United States would be disastrous to United Nations action in Korea and would involve us in a global war.

The statement of the minister of external affairs in regard to this matter was certainly very mild, and perhaps because of that we find the following report in the Ottawa *Citizen* of February 11, in a Reuters news agency item headed "Rely on Canada for Realism" and reading:

The Washington *Post* says today the United States can usually rely on Canada for realism in foreign affairs as well as plain speaking when the occasion demands it.

It is significant that President Eisenhower's state of the union message, particularly the passage on Formosa, aroused in Canada little of the uneasiness reported from parts of Europe, it adds in a leading article.

[Mr. Argue.]

I think it would have been much better if the minister of external affairs had taken a stronger stand which could not be interpreted in Washington as indicating that Canada, which is said to usually take a realistic stand, is not greatly alarmed at the action taken. I have noticed other references by the minister of external affairs in connection with the St. Lawrence seaway, and I have heard him speak in regard to United States trade barriers. I congratulate the minister upon the statement he made in reference to the St. Lawrence seaway. Certainly he was telling the United States in firm language that Canada wanted the St. Lawrence seaway and did not want any further stalling on that project. For example, he said:

There is one matter, however, in which our American friends have not been able to co-operate with us at the pace we feel the requirements of the situation demand.

And again:

We hope that it will be soon, and we are disappointed that that decision has not already been reached.

And again:

It has been made clear, however, that the discussion of any new proposal for sharing this task must not delay any longer the whole project.

Other members of the government, such as the Minister of Finance (Mr. Abbott), have made strong statements from time to time in regard to the desirability of the United States reducing trade barriers. The government are prepared to talk up to the United States when it comes to the St. Lawrence seaway development and international trade, and for that I compliment them. In his speech the other day the Secretary of State for External Affairs spoke with the voice of a lion when dealing with the subject of the St. Lawrence seaway, but when he came to refer to the action that had been taken in connection with Formosa I am afraid that he spoke with the voice of a lamb.

We would like to see him take just as firm a stand with regard to the Formosa action as he has taken with respect to the St. Lawrence seaway. I feel that it is not so easy for the nations in Europe to talk to the United States in the same kind of firm language that Canada could use because these countries have depended, and depend today, on economic assistance from the United States. They are still suffering from the ravages of the recent war, and therefore they need United States economic help.

We in Canada are living in a wealthy country. We do not need to seek economic assistance from the United States. It is true that we are dependent on American good will to a large extent so far as economic and

trade matters are concerned, but the same thing can be said about the United States in relation to Canada. The United States is dependent on Canada for a great many natural products for its own prosperity and well-being. Because Canada is less dependent in its relationship to the United States from an economic standpoint, I think Canada is in the best position of any nation in the world to make her views clear to that country. We are of course a member of the commonwealth; since other members of the commonwealth disagree with the United States policy, and since we are a North American nation, I think we are in a particularly good position to help present their viewpoint to the government of the United States.

I understand that the Secretary of State for External Affairs was in Washington over the week end. I have no doubt that he will be reporting to parliament on his discussions, perhaps this evening. He shakes his head to the contrary. I hope that in his discussions in the United States he has made the Canadian position perfectly clear, and I hope that it is a firmer position but along the lines referred to in the statement he made to the house. If his reception in Washington has not been entirely satisfactory, then I think he should consider one further step. The Prime Minister of Great Britain made a trip to Washington earlier this year to present his views to the President of the United States and exchange views with him. According to an article in the *Christian Science Monitor,* Mr. Anthony Eden will make a trip to Washington soon, as will Premier Mayer of France.

In order to underline the Canadian position, which I understand is that nothing should be done that might extend the conflict in Korea to other areas, and in order to make that position abundantly clear to the United States, the Secretary of State for External Affairs might recommend to the Prime Minister that he go to Washington to interview President Eisenhower, perhaps Senator Taft, certainly Mr. Dulles, and other congressional spokesmen in the hope that further unilateral action by the United States which may extend the conflict will not be embarked upon. I believe that such a trip by the Prime Minister would constitute a mission of peace. If the Secretary of State for External Affairs was not completely satisfied with the conversations he had—I hope he was—then the Prime Minister might consider such a visit because unless such action is taken now, some time later it may be too late.

I believe the hon. member for Melfort (Mr. Wright) emphasized very well this afternoon the need for economic assistance to underdeveloped countries. I believe that if we are going to win friends for democracy, if we are going to win friends for the west, we should increase our economic and technical assistance to backward nations. I was really amazed at the figures the hon. member placed on the record, which if I remember correctly, indicated that since 1949 Canada's per capita contribution by way of economic aid and technical assistance has only been some $3.69 per capita, whereas the United States per capita contribution for the same purpose within the same period has been over $100. Canadians are a generous people. I believe they are willing to send surplus agricultural commodities and additional quantities of other goods from Canada. I believe they are willing that parliament should vote additional moneys for technical assistance in order to help those underdeveloped countries that are in a much less fortunate position than Canada. By so doing we would not only strengthen democratic institutions but we would be following good, sound, Christian principles.

From time to time I have read, as other members no doubt have, of the poverty, privation, distress, malnutrition, yes, starvation, rampant in Korea today. I believe we have a special obligation to assist the people of Korea. If they are short of food; if for example their children need larger quantities of milk, as I am sure they must, then certainly Canada is well able to provide the people of Korea with large quantities of foods that are now in surplus supply in this country. We have such a surplus of meat products and such a surplus of grain that farmers do not know how long the market can carry these commodities even at present prices, many of which are depressed. We have a surplus of 100 million pounds of meat that the government is holding. I think that provides us with a real opportunity to make available meat and grain to help prevent starvation and malnutrition in Korea. And the same applies to powdered milk.

As I have already said, we hope that no further steps will be taken that will lead to an extension of the war in Korea and that in the end might lead to an all-out war. I am particularly fearful that a unilateral blockade of China by the United States would be a step leading to all-out war. I would object to Canada's involvement in such a war, and the taking of Canadian youths from their normal peacetime occupations to be thrown into a conflagration on the continent of Asia.

Mr. E. D. Fulton (Kamloops): I was not absolutely certain, Mr. Speaker, that I wanted to take part in this debate, although I have not been totally unprepared, until I heard

speeches such as that delivered by the hon. member for Melfort (Mr. Wright) earlier today and the speech just delivered by the hon. member for Assiniboia (Mr. Argue). If I had any doubts as to whether or not I should take part in this debate, those speeches resolved my doubts.

The doubts I had are those which any amateur must feel when he ventures, for not quite the first time but almost the first time, into a professional league. I have been watching the Secretary of State for External Affairs (Mr. Pearson) during the course of some of the speeches delivered in the last part of the debate, and I observed that the minister appears to feel somewhat uncomfortable. I could not help observing that. Probably the minister and I feel equally uncomfortable, but for completely opposite reasons.

I imagine the minister feels uncomfortable because he regrets that he was not more outspoken. He probably regrets that he minced so daintily around the field of foreign affairs, and refrained from enunciating more clearly just what is Canada's policy. I feel uncomfortable because I realize that if I were to make a definite statement, then I probably would be attacked as vigorously and from as many different quarters as the minister is now being attacked because he refrained from making a definite statement.

There are, Mr. Speaker, certain things which should be said. I go back in my mind to what the hon. member for Melfort said at the beginning of what was otherwise a fairly good speech. I think it is a shame if we are going to have to interrupt what appears to have been a *modus vivendi* established between ourselves and the members of the C.C.F. party by taking somewhat sharp issue with them in this field of foreign affairs. I feel that my friends of the C.C.F. party will have the same respect for my views if I feel compelled to express them as I have for theirs, and realize that it is an honest difference of opinion that moves us to say what we have to say in the course of this debate.

Mr. MacInnis: We did not call you yapping dogs as yet, did we?

Mr. Fulton: I have not heard that expression used in the house.

Mr. MacInnis: Look up the speech of the hon. member for York West (Mr. Adamson).

Mr. Fulton: I was not in the house when the expression was used that appears to have somewhat disturbed my friends in the C.C.F. party. If it was used, I can only ask them to put it down to the heat of debate.

Mr. MacInnis: We seem to have disturbed you.

[Mr. Fulton.]

Mr. Fulton: My hon. friend the member for Vancouver East (Mr. MacInnis) may be disturbed, but I am equally disturbed by some of the things he has said in the course of this and preceding debates. I do not want to be bitter or to suggest that there has been disloyalty or anything of that kind. I want to discuss this thing on the basis of reality and common sense.

The hon. member for Melfort referred this afternoon to statements which have been made by members of this party in the course of this debate, and said that if Sir Robert Borden had been alive today he would have been disturbed to see the Conservative party apparently following—what he suggested, but what is not a fact—with slavish adulation the policy of President Eisenhower, the new president of the United States. Let me suggest to my hon. friends of the C.C.F. party that what we are doing is not following this, that or the other lead from any foreign government, but we are trying to adopt a sane and sensible foreign policy which, if I may suggest to my hon. friends, will not be subject to the same vacillations as theirs.

We are not disturbed if we find that the governments of other countries, changing as they may do from time to time, adopt foreign policies which from time to time differ from that which we think should be the foreign policy of this country. If my hon. friend complains because for the time being there appears to be some difference between ourselves and some expressions used by the government of the United Kingdom in the approach to this problem of foreign policy with respect to the Asiatic sphere—well, I leave him to be concerned about that. I shall ask him, however, if in analysing the situation and accusing us of a shift in policy he would be kind enough to explain to us the complete shift in foreign policy which his own party has made with respect particularly to this Formosan situation.

I recall so vividly, Mr. Speaker, that in 1950, when President Truman announced his policy of controlling Formosa, there were no more bitter critics of that policy than my hon. friends of the C.C.F. party. Today, when President Eisenhower announced his decision to lift the ban, to take off the quarantine on Formosa, there are no more bitter critics of President Eisenhower's policy than my hon. friends of the C.C.F. party.

Mr. MacInnis: He only half lifted it.

Mr. Fulton: The hon. member for Vancouver East objects because he says the quarantine has been only half removed. Imagine how much bitterer his criticism would have been if it had been totally removed.

Mr. MacInnis: Not at all.

Mr. Fulton: What does my hon. friend want?

Mr. MacInnis: I do not want to get involved in a Chinese civil war.

Mr. Fulton: You say you do not want to get involved in a Chinese civil war, and none of us does. What we are discussing here is a shift or what is alleged to be a shift in foreign policy. I am pointing out that when President Truman quarantined Formosa there were no more bitter critics of that policy than my hon. friends of the C.C.F. party. Now President Eisenhower has half lifted that quarantine—I use their own words—and they suggest President Eisenhower is deliberately involving us in the Chinese civil war. When President Truman applied the quarantine their great fear was that this might somehow or other involve us in a Chinese civil war, so I do not know what my hon. friends of the C.C.F. party want. They criticize us for what they allege to be the subservient following of the foreign policy of some other government when we try to pursue a consistent course and suggest that what is being done today by President Eisenhower is not such a great change after all, and that we should not allow ourselves, as they appear to be allowing themselves, to be influenced by a personal dislike of the present regime in the United States. They seem to be influenced by that personal dislike into criticizing a quite logical development in foreign policy.

Mr. MacInnis: You should not attribute motives.

Mr. Knowles: Churchill takes the same position.

Mr. Fulton: If I have attributed motives, then I apologize for doing so. Let me content myself with saying that we should not criticize the present policy of the United States government simply because it happens to be the policy of President Eisenhower and not that of President Truman.

A little earlier I said that the Secretary of State for External Affairs seems to be somewhat uncomfortable as a result of the criticism or speeches which have been made by members of the C.C.F. party who have spoken latterly in this debate.

Mr. Pearson: I am perfectly comfortable.

Mr. Fulton: Then the minister should develop more of a poker face.

Mr. Bradley: Or the hon. member should get a pair of glasses.

Mr. Pearson: I am just exhausted.

Mr. Fulton: I notice, Mr. Speaker, that the minister skated carefully around this subject of Formosa as dealt with by President Eisenhower in his recent state of the union message to Congress, but he contrived to leave the impression that the Canadian government was not too happy about that policy. I am therefore afraid that we must associate him to some extent with the spokesmen for the C.C.F. party who have also criticized President Eisenhower's policy.

Mr. Knowles: The minister has to be right once in a while.

Mr. Fulton: Yes; he has to be right once in a while. But I suggest that he has not been right yet. When this subject was discussed in the house in 1950 and the quarantine of Formosa was applied by President Truman, I recall that the minister expressed himself carefully but in terms which certainly implied that he was not happy about that policy. As reported at page 96 of *Hansard* of August 31, 1950 starting at page 95, he stated as follows:

> We have, however, been disturbed, as I have no doubt others have been disturbed, by reports of preventive military measures taken by the nationalist government of China against communist concentrations along the mainland coast, as well as by statements reported to have been made by Generalissimo Chiang Kai-shek concerning United States-Chinese "military co-operation". We have also been disturbed by statements that seem in our minds to confuse the defence of Korea, which has been assumed by the United Nations, with the defence of Formosa, which has not;—

Mr. Pearson: I said that the other night.

Mr. Fulton: To continue:

> —statements that have even implied—somewhat mistakenly I think—that those who wish to draw at this time a distinction between the two operations are defeatists and appeasers. So far as this government is concerned, we are concerned solely with carrying out our United Nations obligations in Korea or elsewhere. These obligations do not, as I understand them at the present time, include anything that can be interpreted as the restoration of the nationalist Chinese government to the mainland of China, or an intervention in Formosa.

With that statement we perhaps could not find too much to disagree. But it is significant, Mr. Speaker, that that statement was made after President Truman had announced his policy of quarantining Formosa. Then President Eisenhower announced his policy of dequarantining Formosa, and we find the Secretary of State for External Affairs making almost the same statement as he made on the previous occasions. He finds fault with both policies. Neither of them suits him. But he does not tell us exactly what it is that he would have this government do, or rather what policy it is that he would have this country follow with respect to that matter.

When you read the debates, Mr. Speaker, it is quite clear that at that time, in 1950, the minister's statement was taken as being quite

substantially critical of the policy adopted at the moment by the President of the United States; I refer to the policy of quarantining Formosa. In support of that contention I cite statements of members of the C.C.F. as well as statements of members of his own party. For instance, starting at page 173 of *Hansard* for the same session, the hon. member for Winnipeg North (Mr. Stewart) delivered himself of a speech, in which he strongly criticized the Chiang Kai-shek government and suggested that the Secretary of State for External Affairs was quite right in criticizing the policy then followed by the President of the United States. At page 229 of *Hansard* the hon. member for Vancouver East (Mr. MacInnis) had much the same thing to say. At page 125 the leader of the C.C.F. party aligned himself fully with what the Secretary of State for External Affairs had said. These were his words:

> May I say before I take my seat how pleased I was yesterday when the Secretary of State for External Affairs, in discussing the Korean situation, made it abundantly clear that Canada was participating in the United Nations action in Korea, and that we were in no way involved in the Formosan situation. I said some time ago, and I now repeat, that the only thing to do—and it should have been done long ago—is to say to Chiang Kai-shek, "Get out of Formosa and stay out of Formosa", so as ultimately to give the Formosan people an opportunity to choose their own form of government—because they were once a free and independent people, and not so many decades ago at that.

He then went on to say:

> I cannot go into that phase of the matter further except to say that the minister has the support at least of this group in the house in the attitude he has expressed from time to time in connection with Formosa, and the difficulties that have arisen in connection with it.

Some of the difficulties which the leader of the C.C.F. party was discussing were difficulties created by the announcement of President Truman with respect to Formosa; and it is difficulties with respect to the same situation which now cause the hon. gentleman to denounce the policy being followed by the United States in dequarantining Formosa. Yet the basis of their other criticism was that the quarantine of Formosa would involve us somehow in the Chinese civil war.

That was a position which, by inference if not by direct statement, was taken by the Secretary of State for External Affairs. I point out to you, Mr. Speaker, that at no time during the course of the debate in 1950 did he dissociate himself from the interpretation placed upon his position by the C.C.F. party. I therefore must assume that the hon. gentleman's position in 1950 was the same as the position expressed by the C.C.F. party at that time. Hence we find that today, in 1953, when Formosa is dequarantined, the Secretary of State for External Affairs expresses himself as being concerned—although not dotting the "i's" or crossing the "t's" as to the extent of his concern—over the possible implications of the President's policy.

Mr. Pearson: May I ask the hon. gentleman a question?

Mr. Fulton: Yes.

Mr. Pearson: What did he mean by "dequarantine"?

Mr. Fulton: I should think that was reasonably obvious, Mr. Speaker. When you apply a quarantine, you post a notice and say that no one will be allowed to come into this house. When you dequarantine, you take down the notice and say that this house is no longer subject to quarantine.

Mr. Pearson: The notice has not been taken down.

Mr. Fulton: The minister says the notice has not been taken down. I do not know what interpretation he places upon the President's message to the Congress of the United States. Perhaps he will be good enough to explain to us when he closes the debate—as I presume he will—just what interpretation he places on it.

At any rate, whatever interpretation he places on it, the fact is that the message has given him cause for some concern; and I should be greatly interested to know whether or not the cause for concern which it gives him is the same cause for concern, and the same inconsistent cause for concern, as it gives to my hon. friends of the C.C.F. party, namely that somehow or other, by some strange transmutation of all the processes of international relations, the very opposite of the act which was alleged in 1950 would involve us in the Chinese civil war, in 1953 is going to have the same result.

The Secretary of State for External Affairs has involved himself in other difficulties in connection with this matter. They are difficulties perhaps of a minor nature; nevertheless they are significant when highlighted against the background of the whole government policy.

These difficulties that are referred to at the moment are in connection with the interpretation we place upon the seriousness of this whole war in Korea. I do not want to be overly captious, although the Secretary of State for External Affairs (Mr. Pearson) accused me of that fault at an earlier stage of this debate, particularly in respect to my criticisms of the government. Of course, Mr. Speaker, I do not want to adopt a tone

which is offensive, because we have been told that if our tone is not exactly suited to the sensitive ears of the government, then they may not care to sit here and listen to us. Therefore if my tone is offensive I hope the Secretary of State for External Affairs and others of his colleagues in the cabinet will let me know, and I shall attempt to modulate the tone to their delicate sensibilities.

What I have in mind is that the other night the Secretary of State for External Affairs objected to a criticism which I advanced against the use of the words "police action" to describe the present war in Korea. The Secretary of State for External Affairs, placing a reliance upon a magazine which, as he himself pointed out, is better known for its humorous qualities than for its biblical authority in the field of international affairs, proceeded to quote from the *New Yorker*. If the Secretary of State for External Affairs had quoted from the New York *Times*, which we have always been given to understand is the authorized version of the bible in so far as the formulation of government policy on foreign affairs is concerned, I would have been more impressed, but he chose to quote from the *New Yorker* in justification of his description of the action in Korea as a police action.

I was interested this afternoon when the hon. member for St. Paul's (Mr. Rooney) addressed a question to the government as to whether or not we are at war. The Minister of National Defence (Mr. Claxton), giving a very cautious answer, said in the course of his reply that the question might better have been directed either to the Prime Minister or the Secretary of State for External Affairs. When he said that I could not help but think that he should have said the question should have been directed both to the Prime Minister and to the Secretary of State for External Affairs, because undoubtedly he would have obtained a different answer from each of the hon. gentlemen.

Although the fact is that the Secretary of State for External Affairs saw fit to disagree with me and criticize me for having taken exception to the description of the war in Korea as a police action, the Prime Minister leaves no doubt that in his opinion that in which we are engaged in Korea is a war. The Secretary of State for External Affairs prefers to describe it in 1953 as a police action; but I point out to you, Mr. Speaker, that when he spoke in this house not very long ago the Prime Minister said, as reported at page 1524 of *Hansard*:

> We do agree that if war were not being waged in Korea, a war which might have serious consequences for the free world at large, young Canadians would not be voluntarily offering up their services and risking their lives for something of the character of an ordinary police action.

I wonder which the Secretary of State for External Affairs is going to take as his authority, the Prime Minister or the *New Yorker* magazine. On humorous subjects I would be willing to agree with him that the *New Yorker* might speak with a voice of greater authority, but I should think that in this house a colleague in the cabinet would prefer to accept the authoritative pronouncement of the Prime Minister. But of course if the Secretary of State for External Affairs is implying that the statements of the Prime Minister are humorous in their nature, even dealing with a serious subject of this sort, well, who am I to quarrel with him? I do hope the hon. gentleman will reconcile not only the very marked difference of interpretation between himself and the Prime Minister in these two speeches, but will also reconcile for us the difference in his attitude in 1953 from what he said when he dealt with this subject in 1950.

I might point out to the hon. gentleman and to the hon. gentleman who is sitting with him at the moment, and who I presume is equally interested in this debate, that in 1950 when he dealt with this subject the Secretary of State for External Affairs on no fewer than four occasions referred to what was going on in Korea as a war, and on two occasions as a military challenge and on another occasion as the conflict in Korea. I do not recall that at any time on that occasion he described it as a police action. Here is what he said as reported on page 91 of *Hansard* of August 31, 1950. After having described the developments which led up to the outbreak of war in Korea he said:

> This is the perspective in which we must view the war in Korea today, though I do not for a moment suggest that these considerations should lessen our anxiety over those events or block our response to them. In Korea, together with the other countries of the free world, we are now faced with a plain and unmistakable military challenge; and we, in common with all the free world, must answer that challenge.

Then further down on the same page he said:

> It was possible in Korea, as it has been possible elsewhere, for the war to be fought by satellites, by Asian troops alone. Therefore, when the United Nations intervened, the war could be misrepresented, as it has been misrepresented, as one of Asian popular forces against those of western imperialist capitalism.

On page 94 the Secretary of State for External Affairs had this to say in referring

to the Canadian brigade which was being sent to Korea to take part in a war, not a police action:

> This special force is unique in one way among the offers of military forces which have been made to the United Nations as the result of the war in Korea—

Well now, Mr. Speaker, viewed in the light of the last situation with which we are confronted it is perhaps a fairly small matter as to whether we describe it as a war or a police action; except that I suggest to you, Mr. Speaker, that the consequences of this situation which has resulted in a war in Korea are too grave for us to take casually and in the mincing attitude the Secretary of State for External Affairs has adopted toward them.

After all, the President of the United States has said certain things with regard to United States policy with respect to the communist threat confronting the world today. I think it is truthful to say he indicated that he intends, in so far as his government is concerned, to adopt a certain policy with respect to that question, a policy which reverses the position in which his government has found itself in the past, as he says, of always having to come from behind and deal with a situation provoked by the communists, instead of trying to take the initiative, always within the limit of peaceful means, and within the limits of peaceful means trying instead to keep the communists guessing.

It seems to me, when our troops are engaged in war in Korea, I say as the Prime Minister said a few days ago:

> We do agree that if war were not being waged in Korea, a war which might have serious consequences for the free world at large, young Canadians would not be voluntarily offering up their services and risking their lives for something of the character of an ordinary police action.

I say when we are faced with that situation it is high time for us to stop fiddling around and saying, on the one hand, that what President Truman did in 1950 might have involved us in civil war in China, and then saying that fatal action has been taken by the President of the United States in 1953 that might well involve us in civil war in China.

It is time we stopped fiddling about and wearying—well, I will not say wearying of the foreign policies of other countries, because obviously we have to be concerned with their foreign policies—but it is time we stopped trying to criticize the foreign policies of other countries in order to make political advantage for ourselves here at home. It is time we adopted a policy consistent with our traditional position as a member of the commonwealth.

Goodness knows, from time to time we may find ourselves having differences of opinion with other nations in the commonwealth, but let us not be dismayed when that happens. That simply means that we just have to sit down around a table, as this government has done all too seldom, and iron out those differences. We just have to try to find a common denominator in commonwealth foreign policy, and reconcile that foreign policy with the foreign policy of the United States, always recognizing honest differences but not carping at them simply because they happen to have changed their president.

Let us go forward so that, within the framework of the United Nations and the North Atlantic Treaty Organization we may have a foreign policy which will prevent our always being on the defence in the cold war. I say again, within the limits of peaceful means at our disposal let us make certain that, for a change, the communists are kept guessing in this cold war instead of, in the company of our allies and our friends, always having to come from behind, with no preconceived idea of what we must do to prevent a further extension of communist success in this sphere.

I have said it is not easy for the inexpert to venture in where the experts themselves are somewhat at a loss. But I said at the outset that I hope my hon. friends, particularly those in the C.C.F., would not take it amiss if I appear to differ somewhat sharply from their views.

Mr. Knowles: We do not object to that; but we do wish you would state your own views.

Mr. Fulton: I have stated them. I have just said that I believe Canada, in concert with other nations of the commonwealth and, in so far as it is possible, with the United States of America, should adopt a foreign policy which would carry not the hot war but the cold war to the communists, and keep them guessing for a change. Let us do that, instead of always having the reverse situation, in which the communists have been carrying the cold war to us and keeping us guessing.

If that statement is not sufficiently definite for my hon. friend from Winnipeg North Centre (Mr. Knowles) I hope he will elaborate upon his views so I may have the benefit of knowing just where he stands, and of understanding that the views expressed in this debate by his party are not formulated solely and simply because there has been a change in the presidency of that great nation to the south of us, the United States of America.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I believe the remarks I shall make

in this foreign affairs debate will be unique in that they will be the briefest. My only reason for rising is to make it perfectly clear that there are two things in respect of which the people in the Fraser valley stand united. First, we hate war; second, we believe the United Nations is the best hope we have to prevent war.

I am sorry my hon. friends of the Social Credit party apparently do not agree with me in either case. We have had a small influx of their numbers into our province, and I want to impress upon them that, possibly because from personal experience we have a deep appreciation of war and because we hate war, we want to prevent it; and we think the best way of preventing it is through the United Nations.

We in the Fraser valley have not forgotten Great Britain and her allies who are facing a most difficult time. We have not forgotten men like the late President Roosevelt who, under lend-lease, saw to it that we got the destroyers when we needed them most. We have not forgotten that. And as Canadians in the Fraser valley we always regarded President Roosevelt as the greatest friend Canada ever had.

Nor have we forgotten President Truman, and the manner in which he co-operated with us. Let us not forget that long before his country was at war, President Roosevelt was standing behind us and behind Great Britain. The policy of the Social Credit party is that set out at page 1881 of *Hansard*, where their leader said:

—the past two presidents—

And we do not forget that this would include Mr. Winston Churchill, too.

—of the United States have been the great betrayers of humanity.

We cannot understand a party, through its leader, enunciating a policy like that, which attacks men like Roosevelt and Truman after all they have done, and describes them as the great betrayers of humanity.

As I have said, we in the Fraser valley, and I believe the people throughout British Columbia, believe that our great hope to prevent future wars lies in the United Nations. But the second lieutenant of the Social Credit party—or perhaps he is the corporal—said, at page 1938 of *Hansard:*

The fact of the matter is that this United Nations is largely a socialist-communist organization.

Well, I think that is an insult to the people of Canada and the people of the whole free world. It is an insult when any man tells me that our Secretary of State for External Affairs (Mr. Pearson) is a socialist or a communist, or that the representatives from Great Britain are socialists or communists. There have been suggested changes in the rules of the house. I would hope they might be modified so that I would be permitted to answer in language that should be used.

I said I would be brief, and I shall be. In the Fraser valley we do not want war, and we believe that the best way to prevent it is by supporting, not attacking, the United Nations.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker,—

Mr. Speaker: When the minister speaks he will close the debate.

Mr. Pearson: This has been a most interesting debate. A good many points have arisen during it, with some of which at least I am sure the house will expect me to deal. Before doing so, however, I should like sincerely to thank hon. members who were good enough to congratulate me during the course of the debate upon my election to the presidency of the United Nations general assembly. I shall be going back there in a day or two; and during the course of the resumed session I know that I shall listen once again to a great many very long speeches, with all of which I shall certainly not agree. While I am in the chair I shall have the opportunity to speculate, speculation which would certainly be out of place in this house, as to which is the more important, freedom of speech or freedom from speeches.

I should like to follow the hon. member for Kamloops (Mr. Fulton) in what I must confess I considered to be his somewhat tortuous reasoning as to the difference between police action and war, and also in his attempt, which so far as I was concerned was not successful—possibly because I was not very bright—to decide when a quarantine is put on and when it is taken off. I suggest to him that if he studies the terms of President Truman's quarantine in 1950 and the terms of President Eisenhower's statement the other day he will realize that only half the quarantine has been lifted. When a quarantine is lifted so that people can leave the quarantined house but nobody can enter, that is not dequarantining as I understand it.

Mr. Fulton: Would the minister say—

An hon. Member: Sit down.

An hon. Member: You made your speech.

Mr. Fulton: Would the minister say whether he agrees with the President's policy, or does he think that President Eisenhower should have gone further?

Mr. Pearson: I will deal with that in a minute if the hon. gentleman will be just half as patient with me as I tried to be with him. One subject came up in the debate which I think was unfortunate, and this was dealt with by other speakers. I refer to the statement made by the hon. member for Peace River (Mr. Low) and to certain observations made this afternoon by the hon. member for Macleod (Mr. Hansell). So far as the reputation of and the verdict on President Roosevelt and President Truman are concerned, I think we can leave that to history. When all the facts are known and the judgment is written I feel quite certain that the verdict will not be that which has been suggested in this house—that he should be considered as being a betrayer of humanity. President Roosevelt was one of the great defenders of humanity. I also like to think that when history is written it will find a more adequate source of material than the memoirs of Mr. Elliott Roosevelt.

I am sure that Mr. Winston Churchill will be most interested in the observations of the hon. member for Macleod this afternoon that at the conferences which were attended by him and President Roosevelt, the latter spent most of his time making Mr. Churchill squirm. Mr. Churchill does not squirm easily.

In the article to which so much attention has been directed in this debate and which was written by the hon. member for Macleod —I think he has authenticated the article— he indicated that he was turning the searchlight on truth on certain things. Therefore he must naturally expect to be judged pretty critically when he himself states that he is turning that searchlight on the United Nations. He also said during the course of his statement that if there were demonstrated inaccuracies in that article he would withdraw them, but not until they were demonstrated to be inaccurate. That is a fair observation on his part.

I shall just point out to him without any further explanation one inaccuracy which has been pointed out in the last few minutes. In that article he described the United Nations as being largely a socialist-communist organization. I am taking just a few of his statements at random. He also said that Mr. Alger Hiss was the executive secretary of the Bretton Woods conference. Third, he said in that article that Mr. Hiss's advisers—Mr. Hiss was a middle-ranking civil servant at that time—were Henry Morgenthau, Jr., the secretary of the treasury; Mr. James P. Warburg, Mr. Eugene Meyer, and a man with a Scotch name, Mr. John J. McCloy, who he said sat under the teaching of the marxist Felix Frankfurter of Harvard Law School, Felix Frankfurter being a very distinguished justice of the Supreme Court of the United States. I would hope that at an appropriate opportunity the hon. member for Macleod will admit that some of those statements are demonstrably inaccurate.

My own contribution to this debate up to the present has been governed, as I meant it to be governed, by the fact that I speak with the responsibility of a member of the government charged with external affairs. When I am criticized, as I was criticized this evening by the hon. member for Kamloops, for my casual and mincing attitude toward this matter, I realize that I do not speak with his freedom from official responsibility. It has also been suggested by the hon. member for Peel (Mr. Graydon)—I am sorry he is not in the house tonight—that my earlier statement might be described as tiptoeing among the tulips.

There were at least two members of my hon. friend's group—the leaders of what I have called the dynamic wing of that group, the hon. member for York West (Mr. Adamson) and the hon. member for Vancouver-Quadra (Mr. Green)—who were certainly doing no tiptoeing in their statements. I hope I am not doing them an injustice when I suggest that they seemed to have adopted as a principle for the conduct of diplomacy and international affairs what I might call tulip trampling or gatecrashing. If they had had the same limitation of responsibility that I had when I spoke here they might possibly agree that in the delicate situation, such as that in which we find ourselves today in the Far East and Korea and in connection with international relations generally, the behaviour of the Secretary of State for External Affairs should be to tiptoe carefully and not trample the tulips.

The hon. member for Lake Centre (Mr. Diefenbaker) in a most interesting contribution to the debate criticized my statement as being too optimistic, or very optimistic, as he described it. I think in that earlier contribution my optimism was indeed most limited, as it was meant to be. The hon. member for Lake Centre contrasted what he called my great optimism with the view of a much greater authority on foreign affairs than I, or any of us possibly—Mr. Winston Churchill. But it was only a few weeks ago that Mr. Winston Churchill when landing in New York stated to the press that in his view the danger of war had receded. If Mr. Churchill saw fit to take a more sombre view of international developments the other day in the House of Commons in London, this

merely shows the difficulty of making up one's mind during the ebb and flow of international events.

As a matter of fact we have no cause at this time for either optimism or despair. This afternoon the hon. member for Brandon (Mr. Dinsdale) made what I thought was a very interesting and thoughtful contribution to this debate. In referring to the situation in western Europe he said that because of the growing strength of NATO the situation in western Europe had been stabilized and the Soviet union was at bay. I certainly would not go as far as that, and possibly he did not mean to go as far as his words might indicate.

I suggest that we should avoid both excessive optimism and excessive pessimism. We should not get too cheerful when things seem to go well or too panicky when they seem to go badly.

In the course of our discussion the question of our policy toward the United Nations was brought up by more than one speaker, and the very interesting proposal was made by more than one member of the official opposition that it would be a good thing if the standing committee on external affairs set up a group or a subcommittee to discuss, no doubt with the department and its officials, the revision of the United Nations charter which in any event has to be discussed at the United Nations general assembly before the tenth session. I think that is a good idea, and I hope that possibly the standing committee on external affairs will follow it up when it meets.

The hon. member for Lake Centre (Mr. Diefenbaker) thought that in order to relieve the general assembly of the growing pressure of business, which is resulting now in two sessions every year, there should be set up at the United Nations an agenda committee which would screen the subjects for discussion at each general assembly and thereby reduce the number of subjects and I hope the time devoted to them. If he were here I would have pointed out to him that this has been tried more than once at the United Nations general assembly. Proposals have been made for the establishment of such a committee, but they have never met with enough approval to be given a trial. As a matter of fact there are obvious difficulties in a proposal of that kind because in the screening process some subjects might be left out which might be of very great importance to some countries, though not so much to others, and it would be extremely difficult to take away from any national delegation the right to put any subject on the agenda.

Then in our discussion more than one speaker referred to the problems about the United Nations secretariat. In fact the hon. member for Winnipeg North (Mr. Stewart) devoted most of his speech to that subject. There is an impression being created in some quarters that the United Nations is honeycombed with subversive agents and that the security of the host country is being prejudiced by the secretariat. My own view is that that impression has no basis in reality at all, and I think it is deplorable that it should be spreading so widely over the continent.

The hon. member for Lake Centre also touched on this subject. He underlined the difficulties in dealing with security not only in the United Nations but also at home when he said—and the same comment was made by the hon. member for Peel (Mr. Graydon) —that while we must maintain our freedoms unimpaired, which I think was the expression he used, we must at the same time not allow diplomatic immunity to be used to attack the security of the state. The difficulty of course is to reconcile these two things. We cannot allow freedom to be used to destroy security, but we would surely be making a great mistake if we took unnecessary measures in the name of security which would destroy our freedom. What we have to do in these matters, I suppose, both internationally at the United Nations and domestically at home, is to make a reasonable and wise reconciliation between these two matters.

So far as attacks on the United Nations secretariat are concerned, we must not forget that they are often made by people who are really attacking the United Nations itself. When attacks are made on United States citizens in the United Nations, you will often find behind them attacks on the fact that the United States is in the United Nations at all. It is an important problem. It is on the agenda of the resumed session, when it will be discussed; and I think it would probably not be quite appropriate for me to say anything more about it at this time.

It is in this spirit, however, of attempting to reconcile freedom and security that in the Department of External Affairs we attempt to deal with passport difficulties, a question which was also raised by the hon. member for Peel. In our passport policies—and we have discussed these at great length before the standing committee on external affairs, as I have no doubt we will discuss them again this year—I confess we have followed the British rather than the United States practice. We interfere only on very rare occasions with the right of a Canadian citizen

to possess a passport, which is after all merely a certificate of his Canadian citizenship. We have the power, of course, to refuse a passport or to withdraw a passport, and when the danger to the state is immediate and clear we should of course take that action; and it has been taken within recent years. But I suggest that we should interfere just as little as possible with the right of a Canadian to have this certificate of identity.

The hon. member for Peel brought up four or five other questions which he hoped I could deal with in my reply. I think possibly they should be referred to the standing committee, where all information concerning them can be given. He mentioned, for instance, the case of a Canadian citizen of Polish extraction—indeed a Polish national as well because he had dual nationality—who had received what seemed to the Auditor General exorbitant sums for relief in Warsaw in circumstances which appeared to be a little ambiguous. I think that case can be satisfactorily explained to the committee in all its details. I would only say here that this Polish-Canadian citizen served during the war in the Canadian navy, where he had a good record. He went back to Poland after the war in the hope that he could bring his wife and family to Canada. There he was arrested by the Polish authorities. After he was released from jail he was destitute. The Canadian diplomatic mission in Warsaw felt it was its duty to help this man until his case was cleared up. Relief was extended. It might seem to be a large amount, but the amount in dollars was converted at the official diplomatic rate to zlotys which, in terms of real value, would cut it in half. As I say, we can go into this particular question in the standing committee in enough detail, I think, to satisfy hon. members of the committee.

The hon. member for Peel also hoped that I could say something about the C.B.C. international service. He suggested that we call the director of that service before the committee. I think that is a good suggestion. I am quite sure it can be acted on and that we can go into the whole question, as indeed we have done before, of the relationship between the Department of External Affairs and the C.B.C. international service. The hon. member did go a little further than I thought was practical when he expressed the hope that we might listen to recordings of the broadcasts we are making to these countries. He may be more cultivated linguistically than I am, but I think recordings in Ukrainian, Polish, Czechoslovakian and other languages would not be very meaningful, at least so far as I am concerned.

[Mr. Pearson.]

The hon. member for Lake Centre made a very interesting suggestion in connection with the North Atlantic Treaty Organization. He thought we should take the lead in the extension of the pact from 20 to 50 years. It is now a 20-year pact which can be renewed after the 20-year period indefinitely from year to year. The European defence community treaty is a 50-year pact. It was felt that if we could make the two agreements synchronize that would help to remove some of the uneasiness, particularly in France, over this matter.

As a matter of fact that question is already under discussion. There is a difficulty at this time in extending the North Atlantic treaty to 50 years because it would mean a formal amendment of the pact, which would have to go back to the 14 legislatures. There may be a better way than that of accomplishing the same purpose, but the question is under consideration at the present time.

Now, Mr. Speaker, though all these matters arose during the course of the debate, and many others, the question of most interest to hon. members quite naturally was that of Korea, Formosa and the Far East generally —the question of our Far Eastern policy at the present time.

The hon. member for Lake Centre (Mr. Diefenbaker), in discussing my observations on this question, criticized them as being without substance. He described part of my remarks on President Eisenhower's statement about Formosa as a masterpiece of circumlocution. Well, I listened to his statement very carefully—I am sorry he is not in his seat tonight—and I read his statement in *Hansard* very carefully. In a friendly vein I should like to return the compliment and suggest that his own statement was a masterpiece of concealment.

The hon. member said that the opposition, in discussing foreign affairs, should put forward alternative suggestions. I certainly agree with that. Then he added—without which a discussion on foreign affairs would be as shadowy as it would be meaningless. I have gone through his speech, as I have stated, and I have gone through several speeches by hon. members on the other side to see if I could get some of these alternative suggestions. I have not been very successful in finding them. It is not easy, therefore, for me to take the constructive advice that I should like to secure from the statements made by members of the opposition on this occasion, except in one or two speeches with which I shall deal later.

The hon. member for Peel (Mr. Graydon) made the same criticism and he, but more

particularly the hon. member for Lake Centre, in a very eloquent and rhetorical bit, said that this house and this country had the right to know where we stood on Far Eastern matters. He went on to prove his point by stating that the people of the United States knew where their government stood, as did the people of the United Kingdom through Mr. Eden's statement, and that we in Canada should also know.

I have taken the trouble to read Mr. Eden's statements, the one he made on February 3 and the one he made in the House of Commons on February 9. Dealing with the Formosa decision on February 3, he said that Her Majesty's government in the United Kingdom were informed in advance of the decision of the United States government and at once made known their concern at this decision which they feared would have unfortunate political repercussions without compensating military advantages. In his statement a few days later in the House of Commons, Mr. Eden spoke at some length on this Formosa decision. He explained some of the United States preoccupations, difficulties and worries. He deprecated the exaggeration of the implications of this action. He reiterated the British policy on the blockade, and he mentioned the cease-fire proposals; but comparing his statement with the statement of government policy made in this house I would suggest, Mr. Speaker, that we were as definite and I think went just about as far as Mr. Eden did.

I propose to put on the record again one or two of the things I have said, representing the government, in my last two statements on this subject.

So far as the United States is concerned, I have just come back from Washington. Of course I read the United States papers, the New York *Times* and even the *New Yorker*. I am afraid there are a good many people in the United States who do not feel that they know exactly where their government stands on these Far Eastern matters and who might, with charity, consider that the Canadian people are just about as well informed in respect of the policy of their government on this particular question.

On February 5, when I spoke in the house on the Formosan statement I said, as recorded at page 1639 of *Hansard*—and I refer this to the hon. member for Kamloops because it repeats almost verbatim what I said almost two years ago on the subject—

> —while we remain resolved to carry out our United Nations obligations in Korea, we do not think that the defence of Formosa, which has not been assumed by the United Nations, should be confused with the defence of Korea, which has.

I think that is clear.

Mr. Fulton: You said the same thing on both occasions.

Mr. Pearson: On the same occasion and on the same page I said:

> We are not of course committed by, though naturally we are concerned with, the action taken in Washington in connection with this matter.

We are not committed by it, though naturally we are concerned with it. The words Mr. Eden used in London were "at once made known our concern." I recall that when I used the word "concern" in a diplomatic note not many months ago in connection with a Far Eastern question, that was considered by hon. gentlemen opposite to be a very vigorous protest indeed. It was not a very vigorous protest then, and it is not a protest at all on this occasion, but it is a good word to use in a situation such as this. We are concerned with this matter, and we have made our concern known to the United States.

It has been suggested by hon. members opposite that in my Wednesday statement I was much less definite and more tiptoeing than in my previous one. On that occasion, to make our position as clear as I think it should be at this time, I said, as recorded on page 1852 of *Hansard* for February 11, 1953:

> The guiding principle of Canadian policy in Korea is to continue to do everything possible to limit the present hostilities to the Korean peninsula, and to take advantage of any opportunity for an early settlement of these hostilities by peaceful negotiation.

Farther down on the same page I said:

> We consider also that the purpose of the United Nations in Korea remains the defeat of aggression there, and does not include intervention in the civil war in China.

On the next page, I said:

> We do not believe, accordingly, that the western powers should press for military or economic measures, at the United Nations or elsewhere, which would certainly not be supported and indeed might be actively opposed by important non-communist Asian states, and which without such support would be less effective in ending the Korean war than in extending it.

Then I added:

> This principle has guided our policy in this matter in the past, and it will continue to guide us in considering any such proposals which may be made in the future.

It seemed to me, Mr. Speaker, that those were fairly definite statements. We expressed our concern with these Formosan declarations; we expressed our anxiety lest anything should be done which would extend the war from Korea to the mainland; and we underlined the contrast between action taken through the United Nations and action taken in other ways. So far as consultation is concerned, immediately this declaration was

decided upon by the United States government as a unilateral action—though I confess we had some advance information that some such action was in contemplation—we were informed by that government at once, as other governments were. We took steps at once through our ambassador in Washington to make immediate inquiries as to what it involved, what the implications were, if any, and to discuss the matter with the state department. Immediately after those discussions in Washington the ambassador came to Ottawa and we got a firsthand report from him. I think the consultation on this occasion was not anything that we could complain about, though if it had been possible to announce the step to us a little earlier we would have had more time to intervene, if we had felt that intervention was desirable; something that we did not feel on this occasion.

I only say that we—I mean the government—regret, as I think do most members of the house, that the United States government found it necessary to take this action. We are not condemning them for it, but we regret that they felt it necessary to take this action, the military advantages of which might be neutralized by the political disadvantages.

At the same time I think it is only right to state that the situation in 1953 with respect to the neutralization of Formosa, and the situation generally in that area is very different from that in 1950 when the original action was taken. At that time the Chinese communists had not directly intervened in the Korean struggle. Since then many an effort has been made through the United Nations to settle this conflict, and all of them have been rejected by the communists in China or in North Korea.

I had the privilege of spending the week end in Washington, and yesterday I had an interesting, friendly and frank discussion with the Secretary of State, Mr. Dulles, at our embassy there. I told him in an informal but frank way—and we are on those terms in Washington with the new Secretary of State, as we were with the old secretary of state—our views and our preoccupations. I told him quite clearly—something which his officials of course already knew—how we felt about Far Eastern affairs generally, and I think we have also made that clear in the house. I also learned from him about the background of this action, and of the preoccupations and worries which prompted the United States to take it. I think we should do our best to understand the United States position on this matter and to appreciate their anxiety over the stalemate which has developed. I also think they should appreciate, as I think they do, our anxiety over the possibility of this war extending and our desire to prevent that eventuality.

The exchange of views that we had yesterday, I think, without exaggerating their importance, may have been considered helpful in that respect. It was made quite clear to me yesterday by the Secretary of State that some of the far-reaching fears that had been read into this action and other actions are not justified; that they are naturally exceedingly anxious to take advantage of any situation which will give them and the United Nations—because they are acting as a member of the United Nations in this general Korean situation—the initiative, and also to do anything they can to keep the enemies of the United Nations off balance. I feel reasonably assured that there is no intention on the part of the administration in Washington to do anything that is rash, provocative or adventurous, and that on their part they have no desire to extend the war to the continent of Asia.

I also feel that, like their predecessors in Washington, they appreciate the necessity and the desirability of consultation before decisions are taken in Washington which affect the other members of the United Nations who, whether or not they are committed formally by those decisions, cannot escape the consequences of them. Mr. Dulles, the Secretary of State, made a broadcast the other night, to which I am sure a good many hon. members listened, in which he said:

> It is important for us all to remember that we—

And he was talking about the American people.

> —do carry a tremendous responsibility. Any false step could mean disaster not only for us but for our friends. Possibly our friends would suffer even more than we ourselves. Therefore, we must be sober and restrained in our national conduct.

Then in concluding his broadcast he went on to say this:

> That does not mean being timid, and afraid to take the initiative, to speak frankly or to make hard decisions. Indecision, weakness and vacillation are the qualities which most often lead to war. It does mean that in order to win and hold the confidence of those whom we need as friends and allies, we must at all times play the part of a nation which is fully aware of the grave responsibility which it carries.

I am sure that when the Secretary of State uttered those words he was sincere in his own determination to do his best to carry them out. I am reinforced in that feeling by my visit to Washington.

The other day, in his speech in this debate, the hon. member for Vancouver East (Mr. MacInnis) said we should let the United

States know that they cannot count on support from us in every political adventure into which their political exigencies at home may lead them. May I say, Mr. Speaker, that I think they know that. But I also think it would be wrong at this time to assume, on the basis of the decision taken with respect to Formosa, that they are going to engage in such adventures. I do not think it would be wise, in our relations with this new administration, to start on a note of suspicion or controversy, if we can avoid it, any more than I think it would be wise to start by giving them the feeling that they can count on us on all occasions, no matter what they may be impelled to do. In this connection I think we would be well advised to distinguish—if we can, and it is not always as easy as it should be—between official statements on behalf of the administration and newspaper reports of statements by military leaders who seem to do a good deal of talking in one way or another—

Mr. Fulton: In both countries.

Mr. Pearson: —and by civilians who have not the responsibility for their statements that members of the administration have and who recently have been making some statements which I confess are rather alarming. Mr. Dulles himself, in the broadcast to which I referred, had this to say on that point:

The talks which we had with the political leaders of the countries we visited—

He was talking about his visit to Europe.

—went far, I think, to dispel these fears in so far as official quarters are concerned.

He was talking about some fears that had been aroused by what had been going on. He went on to say:

However, the public and the opposition parties seize upon incidents and upon statements made here—

That is in the United States.

—which seem to them to be reckless. Unscrupulous persons use such incidents and statements as reasons why the European nations should not trust us.

I therefore hope that we shall be careful to differentiate between unofficial statements which often get on the front page and more important official statements which are not always on the front page.

On motion of Mr. Pearson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we shall conclude this debate. Then we shall revert to notices of motion and take up the motion of the Minister of Trade and Commerce (Mr. Howe) to set up a special committee to examine into the operations of the government in the field of atomic energy; then the resolution of the Minister of Finance (Mr. Abbott) with respect to the Farm Improvement Loans Act, 1944; Bill No. 48, respecting food, drugs, cosmetics and therapeutic devices; Bill No. 44, to protect the coastal fisheries; Bill No. 46, to amend the Merchant Seamen Compensation Act; then the resolution respecting confirmation of the international convention for the high seas fisheries of the north Pacific ocean, signed by Canada, the United States and Japan.

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

HOUSE OF COMMONS

Tuesday, February 17, 1953

The house met at 2.30 p.m.

PRIVILEGE

MR. MACDOUGALL—REFERENCE TO PRESS REPORT ALLEGING DEATH

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I rise on a question of personal privilege. I should like to draw the attention of the house to the fact that I am not dead.

Some hon. Members: Hear, hear.

Mr. Fleming: Prove it.

Mr. MacDougall: Confusion has arisen because of the fact that a man with the same name, but certainly not the same initials as mine, a very good friend of mine and a fine citizen, died a few days ago. I should like to use the words which Mark Twain used to the Associated Press of the United States in the correction of the report of his death. He stated, "The report of my death is greatly exaggerated."

DAIRY PRODUCTS

INQUIRY AS TO EMBARGO BY UNITED STATES

Right Hon. L. S. St. Laurent (Prime Minister): On Friday, February 13, Mr. Speaker, the hon. member for Lake Centre (Mr. Diefenbaker) inquired about the nature of representations made by Canada concerning United States import restrictions on dairy products. As indicated by the Secretary of State for External Affairs (Mr. Pearson) on February 11, the Canadian government has now made official representations to the United States government on three occasions. The United States government replied to the first of these representations that it was seeking the repeal of the legislation.

Mr. Diefenbaker: What date was that?

Mr. St. Laurent: That was the first one indicated in the appendix to *Hansard*. These restrictions were discussed also during the 1951 and 1952 sessions of the contracting parties to the general agreement on tariffs and trade. In order to give a detailed explanation of the nature of the Canadian representation, I should like to make the following statement:

The United States import restrictions on dairy products were originally instituted on August 9, 1951, in accordance with an amendment of July 31, 1951, to the Defence Production Act. This amendment, which was written into section 104 of the act, required the imposition of controls over fats and oils, butter, cheese and other dairy products, if the importation would:

(1) Impair or reduce domestic production;

(2) Interfere with orderly domestic storing or marketing;

(3) Result in any unnecessary burden or expenditure under any government price support program.

The Canadian government had followed with deep concern the discussions in the United States congress when this amendment to the Defence Production Act was introduced. These discussions indicated that there was a substantial volume of opinion which was opposed to this amendment and which was aware that its adoption and application would be contrary to United States international obligations. When the amendment was passed, the Canadian government deemed it appropriate to protest officially against this legislation. Accordingly a note was presented to the state department by the Canadian embassy in Washington on August 27, 1951—that is the date the hon. member was inquiring about—which pointed out that these restrictions were contrary to the obligations of the general agreement on tariffs and trade.

Efforts were made by the United States administration, and by various individual members of the United States congress, to obtain repeal of these restrictions. The president asked congress on August 23, 1951, for prompt repeal of the restrictions. On September 22, 1951, the United States state department replied to our note drawing attention to efforts then being made by the president to obtain repeal of the restrictions and stating that it understood the concern of the Canadian government.

These restrictions were discussed at the September-October 1951 meeting of the contracting parties to the general agreement on tariffs and trade.

A resolution adopted on October 26, 1951, which was supported by the Canadian delegation, found the restrictions to be an infringement of the agreement. The resolution took note of the United States government's intention to seek remedial legislation.

Inquiries of the Ministry

Subsequently on January 17, 1952, a second note to the United States state department drew the attention of the United States government to the proceedings at the session of the contracting parties to the general agreement on tariffs and trade and urged the United States government to remove the restrictions without further delay. At that same time there was a bill before the United States senate for repeal of the restrictions. However, this bill failed to pass.

When the United States Defence Production Act was amended in June, 1952, modifications were made to section 104 which permitted some degree of liberalization. The Secretary of Agriculture was authorized to set quotas by types and varieties and to permit additional imports of each type and variety up to 15 per cent of the import limitation. Under authority of this legislation the import controls have been relaxed from time to time.

The contracting parties to the general agreement on tariffs and trade again considered these restrictions at their session in September-October, 1952. A resolution was adopted, which was supported by the Canadian delegation, and which noted that the United States had not repealed these restrictions and indicated that the contracting parties should be free, if they deemed it appropriate, to take retaliatory action after prior consultation with other contracting parties.

On December 30, 1952, the United States government, acting under the mandatory provisions of section 104 of the United States Defence Production Act, imposed import quotas on dried whole milk, dried buttermilk, and dried cream. The Canadian government again examined the situation arising from this legislation and took the occasion to present a third note drawing attention to the general effects of these measures on the broad commercial policy interests of both governments and urging the removal of the restrictions as soon as possible.

Mr. Diefenbaker: I thank the Prime Minister for his statement and I should like to ask one question arising out of it. Is there any prospect of these unfairnesses against Canadian dairy products being removed or at least relaxed by the United States government?

Mr. St. Laurent: All I can say, Mr. Speaker, is that the administration realize that the restrictions are contrary to international obligations undertaken by their country and, I understand, they are still making efforts to get congress to repeal what congress passed. As to what the action of congress will be, I am not in a position to predict.

FLOODS

THE UNITED KINGDOM, THE NETHERLANDS AND BELGIUM—EXPRESSIONS OF SYMPATHY—REPLIES

Mr. Speaker: I have the honour to inform the house, that in accordance with the provisions of the unanimous resolution of Monday, February 2, 1953, I conveyed to Her Majesty the Queen, to Her Majesty the Queen of The Netherlands and to His Majesty the King of Belgium the deep sympathy of the Commons of Canada for the people of the United Kingdom, The Netherlands and Belgium who have been so sorely stricken by the appalling disaster which has befallen them; and that in reply to my messages I have now received several communications which will be printed in today's *Votes and Proceedings*.

Mr. St. Laurent: Mr. Speaker, I think there are many more who receive *Hansard* than there are who see *Votes and Proceedings*. If such were the feeling of the house, I think perhaps these replies might be printed as an appendix to *Hansard* as well as in *Votes and Proceedings*.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

(For text of replies, see appendix, page 2047.)

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 113, for the relief of Marguerite Irene Bastien Taschereau.—Mr. Winkler.

Bill No. 114, for the relief of William Gordon Quinn.—Mr. Winkler.

Bill No. 115, for the relief of Joseph Brennan.—Mr. Winkler.

Bill No. 116, for the relief of Henry Collingwood.—Mr. Winkler.

Bill No. 117, for the relief of Douglas Malcolm Stephen.—Mr. Winkler.

Bill No. 118, for the relief of Mary Lane Taylor.—Mr. Winkler.

Bill No. 119, for the relief of Stanley Gordon Fowler.—Mr. Winkler.

Bill No. 120, for the relief of Ethel Florence Flack Towne.—Mr. Winkler.

Bill No. 121, for the relief of Mary Katherine Randell Clarke.—Mr. Winkler.

Bill No. 122, for the relief of Ralph Wellington Goodyear.—Mr. Winkler.

Bill No. 123, for the relief of Donalda Gagnon Fontaine.—Mr. Winkler.

Bill No. 124, for the relief of Marie Sylvaine Alain Dahlstrom.—Mr. Winkler.

Bill No. 125, for the relief of Ruth Schwartz Cohen.—Mr. Winkler.

Bill No. 126, for the relief of Annie Mislovitch Cohen.—Mr. Winkler.

Bill No. 127, for the relief of Minnie Miki Simon Werkzeig, otherwise known as Minnie Miki Simon Werk.—Mr. Winkler.

Bill No. 128, for the relief of Antonio Proietti.—Mr. Winkler.

Bill No. 129, for the relief of Ida Hier Blant.—Mr. Winkler.

Bill No. 130, for the relief of Hilda Irene Roddis Galbraith.—Mr. Winkler.

Bill No. 131, for the relief of Ivy Helen Jean Morton Starke.—Mr. Winkler.

Bill No. 132, for the relief of Barney Flegal. —Mr. Winkler.

Bill No. 133, for the relief of Marie Renee Emond Walker.—Mr. Winkler.

Bill No. 134, for the relief of Edwin George Chafe.—Mr. Winkler.

Bill No. 135, for the relief of Phyllis Violet Perlson Wright.—Mr. Winkler.

Bill No. 136, for the relief of Margaret Eadie Kerr Britton.—Mr. Winkler.

Bill No. 137, for the relief of George Robert Stirling Henry.—Mr. Winkler.

Bill No. 138, for the relief of Margaret Elizabeth Thelma Webb Crothers.—Mr. Winkler.

Bill No. 139, for the relief of Pauline Liliane Baron Brumby.—Mr. Winkler.

Bill No. 140, for the relief of Madeleine Blain Cousineau.—Mr. Winkler.

Bill No. 141, for the relief of Angelina Maria Di Battista Gill.—Mr. Winkler.

Bill No. 142, for the relief of Charles Snoade Hilder.—Mr. Winkler.

LABOUR CONDITIONS

STRIKE OF GRAIN HANDLERS, VANCOUVER AND NEW WESTMINSTER

On the orders of the day:

Mr. Arthur Laing (Vancouver South): I should like to address a question to the parliamentary assistant to the Minister of Labour. Does he care to make a statement with regard to the strike of the grain handlers in the cities of Vancouver and New Westminster? This work stoppage has wide ramifications.

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I thank the hon. member for giving notice of this question which has to do with the dispute and strike affecting local 333, International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America, and various Vancouver grain elevator companies.

The following is a brief review of events leading up to the present situation involving the previously mentioned parties.

The collective agreement between the parties was entered into on May 30, 1952, effective December 1, 1951, until November 30, 1952; and thereafter to remain in effect unless written notice is given by either party to the other at least thirty days prior to November 30, 1952, that revision of the agreement is desired.

Such notice was given on October 28, 1952, by the union to (1) Searle Co. Ltd.; (2) Pacific Elevators Ltd.; (3) United Grain Growers Ltd.; (4) Kerr Gifford and Co. Inc.; and (5) Alberta Wheat Pool, all of Vancouver, B.C.

The main proposals included: (1) the eight-hour five-day week, starting midnight Sunday and ending midnight Friday; (2) a 10 cent premium for employees working on the third or midnight shift; (3) three extra statutory holidays; (4) three weeks' vacation after 10 years' service; (5) that the new agreement contain a list of job classifications; (6) 12 cents per hour increase in present rates; and (7) dust money of 10 cents per hour.

Representatives of both parties held meetings in November, 1952, but could come to no agreement. On November 17, 1952, the situation was discussed by Mr. Edward Sims, Canadian director of the union and Mr. R. H. Tupper, Q.C., representing the companies, with our senior conciliation officer at Vancouver, Mr. George Currie. Both parties expressed the opinion that further negotiations either with or without the assistance of the conciliation officer would be useless and stated the parties desired the establishment of a board of conciliation.

On November 21, the Minister of Labour (Mr. Gregg) received a joint request for the establishment of a board of conciliation and investigation to deal with the dispute, and on November 22 a board was established. The companies nominated Mr. Thomas E. H. Ellis, and Mr. James Bury was nominated by the union. In the absence of a joint recommendation by these nominees of the parties the minister on December 18 appointed Dr. Joseph A. Crumb, professor of economics and political science, University of British Columbia, to be the third member and chairman of the board.

On January 23, the minister received the report of the board making the following recommendations: One, the work day and

the work week; that the employers undertake to minimize Saturday and Sunday work but that they should not be committed to a standard Monday through Friday schedule for a work week. Two, premium for night shift; for the third shift the majority report recommended a differential of 10 cents per hour. The company nominee felt that existing arrangements were satisfactory. Three, statutory holidays; the majority report recommended that the number of holidays be fixed at eight. The company nominee recommended that the number be left at six. Four, vacations; that this request be set aside. Five, job classifications; the majority report recommended that this request be met but with the proviso that the union respects management's right to establish job classifications and to set rates applicable thereto. The company nominee disagreed. Six, wage rates; the majority report recommended that the present hourly rate of $1.50 should continue during the next contract year. The union nominee recommended that the 12-cent-per-hour increase be granted. Seven, dust premium; the majority report recommended a 10-cent-per-hour premium rate. The company nominee recommended that the existing uniform rate be maintained.

On January 29 the minister was informed that the recommendations of the board were not acceptable to the companies. On February 5, he was informed that the union accepted the majority recommendations signed by Dr. Crumb and Mr. Bury and the minority recommendation respecting wages signed by Mr. Bury.

On February 10, the Department of Labour was informed by the union that unless settlement was reached the employees would strike on February 16. Our information is that work stopped yesterday morning and operations are at a standstill. The total number of men involved is approximately 250. Both parties are aware, through an informal meeting with our conciliation officer on February 6, 1953, that mediation services of the department are available to them, but no request has been made by either party for further mediation. The department is constantly in touch with the situation and hon. members may be assured that everything possible will be done to bring about an early settlement of the strike.

STRIKE OF GRAIN HANDLERS—INQUIRY AS TO ACTION TO MOVE GRAIN

On the orders of the day:

Mr. F. H. Larson (Kindersley): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. In view of a report in the Ottawa *Journal* of February 16 that Canada is losing millions of bushels of wheat sales owing to the grain handlers' strike on the west coast, does the government contemplate taking any immediate action to get this grain moving?

[Mr. Cote (Verdun-La Salle).]

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I hardly think it can be said that the government is losing millions of bushels of sales. The capacity of the west coast has been practically all sold, or could have been all sold. We have outlets at North Vancouver, Victoria and Prince Rupert on the west coast still in operation, and at Saint John and Halifax on the east coast. It is very unfortunate indeed that this year, when a record has already been made for movement through the west coast, this strike should tie up the movement of grain. It will mean demurrage for the boats; but as far as the Department of Trade and Commerce are concerned we are quite satisfied to leave the settlement of the strike in the hands of the Department of Labour.

INTERNATIONAL WHEAT AGREEMENT—INSTRUCTIONS TO CANADIAN REPRESENTATIVES

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Trade and Commerce in connection with a matter of interest to the western farmer, namely, the international wheat agreement conference in Washington. Will he say what the present position is, and also tell the house what instructions the representatives of Canada have as to the minimum and maximum prices that they expect under the agreement now being negotiated?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I can only repeat what I said on an earlier occasion, that the meetings are in camera and are proceeding. As far as I know progress is reasonably satisfactory and discussions are taking the course that one would expect from meetings of this kind. A good deal of harmony is being displayed between the contracting parties.

As far as the instructions from Canada are concerned, the Canadian government representatives are in Washington with advisers from prairie wheat organizations. The instructions are to negotiate the best deal that seems possible and to report the results back for the consideration of the government. I am sure that our representatives will do that.

Mr. Diefenbaker: Very uncertain.

UNITED NATIONS

INQUIRY AS TO THE DISCUSSION OF ANTI-SEMITIC PRACTICES IN COUNTRIES UNDER SOVIET INFLUENCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Does the minister know whether the subject of anti-semitic practices in countries under Soviet influence or control will be brought up at the resumed session of the general assembly of the United Nations? If so, would he care to comment on what position the Canadian delegation will take with respect to these practices?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, that subject does not now appear on the agenda of the United Nations general assembly. I understand that certain delegations are giving some consideration to asking that it be put on, but no proposal has yet been made. However, without putting it on the agenda the subject could be discussed, under one or two of the other items that will come before the general assembly at its resumed session.

As far as the Canadian position is concerned, I think I had better wait until we see in what form the subject does appear on the agenda, but our general attitude was, I think, clearly indicated the other day in answer to a question from the hon. member for Spadina (Mr. Croll).

SOUTH KOREA

CANADIAN ASSISTANCE IN RECONSTRUCTION AND REHABILITATION

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): May I ask the Minister of National Defence a question arising out of a statement he made last night? What assistance is Canada giving in the reconstruction of South Korea and the rehabilitation of its people?

Hon. Brooke Claxton (Minister of National Defence): That is really a question for the Secretary of State for External Affairs. What I said last night, as I recall it, was that we had given assistance and it was provided for in the estimates of last year.

FERRY SERVICE

NORTH SYDNEY-PORT AUX BASQUES—SUGGESTED ALTERATION IN VESSEL

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to direct a question to the Minister of Transport. I am sorry I did not give him very much notice. If he is not able to answer fully, perhaps he will take it as a notice and answer tomorrow. Has any consideration been given to the alteration of plans of the vessel presently being constructed for service with the Canadian National Railways on the route between North Sydney and Port aux Basques? My reason for asking the question is that I understand the premier of Newfoundland recently stated that the steamer is only half the size required, and he wanted one twice as big or two of that size.

Hon. Lionel Chevrier (Minister of Transport): Some time ago at my request a meeting was arranged between the premier of Newfoundland, a delegation from that province, officers of the Canadian National Railways and the Department of Transport in Montreal to deal with representations which the delegation from Newfoundland wanted to make to the Canadian National Railways. These representations are too numerous to mention here, but I do know that the meeting was a satisfactory one. I do know that it was possible to make some of the changes that were asked for, at least in so far as refrigerator cars were concerned; but I am also of the view, if my memory serves me right, that no alterations to the new ferry were decided upon in so far as the railway officials were concerned, because they were of the view that the ferry was designed to meet the requirements of the traffic as it existed. It is true that the delegation represented strongly in favour of additional facilities to handle increased traffic by the ferry, but the view of the C.N.R. officials and our own then was that that situation could be reviewed from time to time.

LIVESTOCK

LIFTING OF UNITED STATES EMBARGO

On the orders of the day:

Mr. D. S. Harkness (Calgary East): I should like to direct a question to the Minister of Agriculture consequent upon the answer he gave to the hon. member for Selkirk (Mr. Bryce) yesterday in regard to the lifting of the United States embargo. The minister said, as reported at page 1961 of *Hansard:*

> Our understanding still is that it is the intention of the United States government to admit livestock on the 1st of March.

Can the minister tell us what that understanding is based on? Has the Canadian government had any undertaking, promise or

anything else of that nature from the United States government that the embargo will be lifted on the 1st of March?

Right Hon. J. G. Gardiner (Minister of Agriculture): Our understanding is based on the announcement which was made some time ago from Washington to the effect that the embargo will in all probability be lifted on the 1st of March. The only condition which was indicated at the time which might interfere with that would be another outbreak of the disease. There has not been any outbreak of the disease, so we presume that it is their intention to open the market March 1st. We have discussions with them from day to day. We have had talks with them today, which do not lead us to any other conclusion. So I think it should be assumed by anyone at present that there is no likelihood that that will not be carried out.

Mr. Harkness: Would the minister tell us whether the Canadian government has asked for any definite assurance on this matter from the United States government?

Mr. Bryce: I should like to follow that up. The farmers throughout the country are anxious to know if the embargo is going to be taken off or if it is not going to be taken off. I think the Minister of Agriculture (Mr. Gardiner) owes that to the farmers of Canada, and he should tell them whether or not this embargo is going to come off.

Mr. Speaker: Orders of the day.

Mr. Harkness: Well, I wonder whether the Minister of Agriculture would answer that question. I asked him whether any definite assurance has been asked for.

Mr. Gardiner: I would like to say that if all the persons who seem to have opinions very much similar to those of the two hon. members who have just spoken now would not express any doubts about it at all, there would be no one in Canada who would have any doubts about it. Announcements have been made as definitely as they can be made, and they were not made by this government—they were made by the government of the United States. We are not in the position to make announcements for them. They have made the announcements, and I take it for granted that they will act upon them.

Mr. Harkness: Mr. Speaker, the minister has not yet answered my question.

Mr. Speaker: The minister has given an answer. It may not be an answer satisfactory to the hon. member. However, I cannot even require a minister to answer a question. In this instance he has answered the question in the way he thinks it should be answered, and the house must accept his answer.

An hon. Member: Write a letter.

HEALTH INSURANCE

REFERENCE TO SPEECH BY MINISTER OF FISHERIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to a question of privilege. *Hansard* of yesterday records at page 1951 three questions standing in my name on yesterday's order paper referring to a speech made by the Minister of Fisheries (Mr. Sinclair) at Nelson, British Columbia, on January 15, 1953.

These questions are answered in the name of the Secretary of State (Mr. Bradley), not in the name of the Minister of Fisheries. My question of privilege relates to the answer given to the second question, which was as follows:

> If so, did the Minister of Fisheries indicate at that time that an announcement respecting national health insurance would be made at this session of parliament, as reported in the said newspaper?

The answer given by the Secretary of State was No. My question of privilege is that that answer conflicts with the report in the Nelson *Daily News,* which said—

Mr. Speaker: Order. I cannot allow that as a question of privilege.

Mr. Knowles: On the point of privilege: there is one statement in the press and an opposite statement by the Secretary of State. Can I not find out what the Minister of Fisheries has to say?

Mr. Speaker: Order. That is not a question of privilege. If the hon. member wishes to ask a question, he may ask it. But certainly he cannot rise on a question of privilege and ask it.

Mr. Knowles: May I ask the Minister of Fisheries whether he is correctly reported in the three paragraphs which refer to the section of his remarks which dealt with health insurance, as it is reported in the Nelson *Daily News*—a very fine newspaper—of January 17, 1953.

Hon. James Sinclair (Minister of Fisheries): I am accurately reported in the answer given by the Secretary of State in the reply quoted yesterday.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed, from Monday, February 16, consideration of the motion of Mr. Pearson:

That items Nos. 85 to 104 inclusive of the main estimates, 1953-54, 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.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, when the house adjourned last night I was attempting to deal with points that had been raised in the course of this debate which has now extended over some days. Last night I indicated that, though we had listened to many very interesting speeches, so far as the official opposition was concerned the proposals they had made on external affairs were characterized particularly by their vagueness.

When the hon. member for Kamloops (Mr. Fulton) was speaking last night he was asked what his own views were on these matters, and his reply—as it is reported at page 1988 of *Hansard*—which I suppose might serve as a guidepost for the views of members of the official opposition on foreign affairs, was as follows:

I have just said that I believe Canada, in concert with other nations of the commonwealth and, in so far as it is possible, with the United States of America, should adopt a foreign policy which would carry not the hot war but the cold war to the communists, and keep them guessing for a change.

That might be considered rather vague as a direction in foreign policy. But there was not very much vagueness about the satisfaction of the official opposition over what was termed by more than one of their members the new policy of the United States in Asia. According to the hon. member for Vancouver-Quadra (Mr. Green), that new United States policy was to seize the initiative and, to quote his words, "to call the tune".

The same idea was referred to by the hon. member for Peace River (Mr. Low), when he talked about the stiffening of United States policy. And the hon. member for Peel (Mr. Graydon) used this expression, "a firm and positive policy", which, he thought, would bring peace. Firmness is of course a desirable attribute of policy. But I know hon. members will agree that firmness should not be confused with rashness, and it should not I suggest go beyond our strength. There is a good deal to be said, in the conduct of international affairs, for using the velvet glove over the iron hand; but there is very little to be said in diplomacy for putting the iron glove over the velvet hand. The hon. member for Peel, when discussing this matter, gave an example of what he considered to be wise firmness in the conduct of foreign affairs. His example, and it was repeated by other speakers, was the Berlin airlift. But I would remind the house that the firmness displayed in the Berlin airlift was a firmness based upon realism, and applied very cautiously.

At the time of the blockade of Berlin there were many advocates of a firmer policy than that of the airlift, which took some time to be put into effect; that kind of firmer policy would have tried to defeat the blockade at once by running trucks across the border and by running trains into Berlin.

The kind of firmness which is based upon caution, and a clear assessment of our strength, is to be desired.

Mr. Graydon: That would be more than firmness, would it not?

Mr. Pearson: The other kind of firmness is probably to be deplored. It is clear from the discussion we have had on foreign policy that members of the official opposition and of the Social Credit group welcome this new policy of firmness, while the members of the C.C.F. group leave no doubt as to where they stand. They view it with suspicion and in some of its manifestations they reject it.

So far as the attitude of the government is concerned, I think our views have been pretty clearly and carefully expressed and possibly can be best understood if I explain the attitude which we take toward some of the particular manifestations of the policy. It is easy to talk in generalities, especially when you are in the opposition; it is not so easy to talk in particularities, especially when you are in the government.

Let us take a few of these concrete matters on which we may have to express our views in the future. I took a few last night, but I shall add one or two this afternoon.

We have felt and we still feel, for instance, that Korea is a matter for the United Nations and that any action in which we participate in Korea or in connection with matters arising out of Korea would have to be as a result of a United Nations decision and not a national decision by any one participant in that action.

Similarly, I think we have made it quite clear that we would be opposed to any decision or to any action which might extend the war in Korea unless there were pretty

convincing evidence that that action would also end the war. The extension of the war, to which I have just referred, seems on the other hand to have almost been welcomed by some of the speakers who contributed to this debate, and I am thinking particularly of the hon. member for Peace River (Mr. Low) and the hon. member for York West (Mr. Adamson).

Mr. Low: May I just correct the minister on that. I did not at any stage suggest an extension of the war. What I did suggest, and I think the minister will recognize it, was that a definite policy be adopted as quickly as possible by the United Nations for terminating the war.

Mr. Pearson: I do not want to misquote or misrepresent what the hon. member said, but I base my observation on words which I took from *Hansard*. The hon. member is reported on page 1883 of *Hansard* of February 12 as having said:

> It was my view then—

He indicated that it was still his view.

> —that the military effort of the United Nations should not be limited to the country in which the aggression takes place.

He then went on to explain what he meant by that. It was on that statement that I based my observation.

Mr. Low: Will the minister yield to a question?

An hon. Member: Sit down.

Mr. Low: Wait just a second and I will explain to some of you fellows.

An hon. Member: You talk too much.

Mr. Low: The minister is ready to answer my question. He can take care of himself; he does not need you fellows. I should like to ask him this: Is it necessarily advocating an extension of the war to suggest that when an aggressor has been named by the United Nations every effort should be made to disarm the aggressor so that he cannot hit you any further?

Mr. Pearson: That may be my hon. friend's interpretation of what he said, and of course I accept his interpretation. But my own interpretation, which I think would be the same as that of many people who read that sentence and the remarks following, was that he meant it might be necessary to extend the war beyond Korea into China—and indeed he went further than China—in order to win it. I would suggest to the hon. member that he have another good look at his speech.

Mr. Low: I ask the minister if he can take anything more from what I said than that the only suggestion I made in connection with China was that the United Nations would certainly be justified in blockading the coast of China in order to keep war materials from going in which they would then throw back at our boys.

Mr. Pearson: I have read from the hon. gentleman's speech. If I had the time I would be glad to read the subsequent paragraphs. We must agree to differ on the interpretation of what he said.

Then there is another very practical question, whether a stronger military offensive should be taken within the present strategy in Korea. The government's attitude toward that is that any such military action, even within the present strategy, should certainly be closely related to the political and military results which might follow from that action. I apologize to the hon. gentleman for referring to his speech once again, but I think I am quoting him accurately—in referring to the military situation some time ago, he said that in 1951—I believe he was referring to September—we had the communists on the ropes but the Far Eastern command refused to allow a knockout.

Mr. Low: I was quoting General Van Fleet who said that.

Mr. Pearson: Just to keep the record straight on this, because these are very important matters and what we say in respect of them will go far beyond these four walls, may I say that at that time the Far Eastern command was the Far Eastern command of the United States under generals who were senior to General Van Fleet. The Far Eastern command in turn got its directions from the unified command, which was the chiefs of staff in Washington. So any military action which was taken at that time or not taken at that time was in accordance with the orders of the supreme military direction of that operation, which was in Washington and under General Bradley.

Lest there be any misunderstanding of the influence of civilian authority at that time, either national or international, it should also be made quite clear—because there has certainly been some misunderstanding lately on this matter—that when the decision was taken in 1951 to initiate armistice negotiations with the communists those negotiations were not meant to interfere with and did not necessarily interfere with the military operations which continued.

The hon. gentleman made special mention of General MacArthur's inability to bomb the Manchurian bases and asserted that that prohibition came from United Nations officials. I would be most interested indeed if he could

supply any evidence which would support the inportant allegation that United Nations officials would not allow General MacArthur to bomb Manchurian bases at any time since the Korean aggression commenced.

There is another practical question arising out of these Far Eastern discussions, on which government policy has already been indicated but which I shall repeat clearly this afternoon. I refer to the question of the blockade which has been very much in people's minds at the present time. Our attitude is that whether a blockade should or should not be imposed against the aggressor is a matter for United Nations decision. It is of course to be distinguished from action taken to prevent strategic materials going to the aggressor because action of that kind has been taken already on the part of the United Nations.

I would think myself that the only excuse for extending our action and imposing a naval blockade on the coast of China would be that it would be effective in ending the war. There is certainly a strong division of opinion on that subject, especially when it is realized that at least 75 per cent—various figures have been given—of the supplies going to communist China to enable them to participate in this Korean aggression go by land rather than by sea. There would be dangers in the imposition of such a blockade; and before any action is taken they should be weighed very carefully against the effect of that blockade on the ending of the war. I can say that, so far as we are concerned, we would think in default of evidence to the contrary that the dangers and the difficulties would neutralize the beneficial effect which might result from such a blockade.

Then there is another question—and I mention this too to meet the criticism that I have been talking mincingly and in generalities. I am dealing with concrete matters which are not dealt with by some of the members across the aisle.

Mr. Fulton: Because we have not responsibility.

Mr. Pearson: This is the question of whether it would be wise to bomb Chinese communist territory incidentally to the Korean operation. Our policy is that that would be unwise unless such bombing were forced on the United Nations by all-out war from China itself.

I would point out to hon. members that we have not yet in Korea—and I mean by "we" the United Nations—been exposed to that kind of all-out war. Therefore we should be pretty careful, and it is generally agreed by military authorities that we should be careful, in considering whether we should bomb Chinese territory.

There is another question which was dealt with by the hon. member for Lambton-Kent (Mr. MacKenzie) in his interesting contribution to the house, as to whether or not it would be wise or unwise to take any action which would assist the forces of Chiang Kai-shek to secure a foothold on the mainland. There again, the policy of this government is to be very careful before we intervene to assist the nationalist government on Formosa in returning to China; because from past evidence we believe that—and again I have made some study of this matter as have other hon. members—the government which is now on Formosa did not reach Formosa because of a lack of support from outside or because it was betrayed, but that it reached Formosa because it was driven out of China.

We would probably not be very wise, from the point of view of defeating aggression in Korea, and possibly from other points of view as well if we identified our cause as members of the United Nations with the restoration of the nationalist government on Formosa to the mainland.

Now, Mr. Speaker, I mention these matters because they are problems which we may have to face. I do not, in mentioning them, suggest that we have any reason to assume that the decision which was taken in Washington a short time ago regarding Formosa means that any of these things is likely to be put forward by the United States or any other government. I do not think that these problems necessarily follow on the decision taken on Formosa. I am satisfied that that is not likely to be the case. I indicated last evening that I have had some assurance recently that these consequences of the Formosa decision are not likely to follow, and I hope that they will not.

Now, there is just one other statement from the official opposition with which I should like to deal for a short time because it was a very important one, which I am sure will cause a great deal of comment. That statement was contained in the speech the other evening by the hon. member for York West (Mr. Adamson). He was certainly forthright enough in stating his own view. He attacked what has been called the "policy of containment", although I must confess that the word "containment" and the policy that it represents have been very often misunderstood. He attacked that policy very strongly and preferred what I think might fairly be described—although he did not use the words in this way—as "a dynamic liberation policy".

In his statement—and I do not want to do him any injustice—which appears on page 1900 of *Hansard*, he supported and advocated unlimited war. He said, and I quote from *Hansard*:

To pretend that we can prepare for and fight a limited war against a major power is nonsense.

He said, in another part of his speech:

It is only in men's minds that we think in terms of a limited war. This is now being changed in the United States.

I suggest, Mr. Speaker, with all respect to the hon. member, that that is bad history; and that some of the most successful national wars in history have been successful because they have been limited, and some of the greatest catastrophes and failures in history have happened because leaders of nations who have led those nations into war did not recognize any limit to their objectives in war. If you want an example in terms of one country to explain what I mean, I would have you contrast Bismarck's policy of limited war with Hitler's policy of unlimited war. So, I am not at all prepared to believe that in Korea at this time we have to indulge in unlimited war, irrespective of where that may take us.

The hon. gentleman said it would also be desirable for us to lead from strength, and that there was no such thing as a safe war. He said that one of the things about the Formosa decision which gave him satisfaction was that it represented a step in the right direction. He went even farther than that and on page 1901 of *Hansard* he suggested that one of the things we might do now would be to destroy the Hong Kong-Shanghai railway. He advocated the imposition of a naval blockade—and he is not alone in that—and he advocated a positive policy of liberation of people behind the iron curtain. There has been a great deal of discussion about that lately, and he went on at page 1902 of *Hansard* to say that a policy of isolated war would not do that. He followed up that remark by saying:

Are we going to encourage an attack there on the flank?

In answering his own question he said:

Of course we are.

And then:

Why, then, should we not encourage an attack on the other flank in China?

That certainly, Mr. Speaker, is dynamic enough and I would like to say at once that no one on this side of the house could support that kind of dynamic, unlimited aggressive policy under the present circumstances. It will be very interesting for the governments of Greece, Turkey and Yugoslavia to read that a member of our parliament has advocated that kind of action on our part.

Now, Mr. Speaker, I cannot wind up this debate without saying a few words about the Pacific security pact.

Mr. Adamson: Before the minister goes on, I would like to reply to him. I have never advocated military attacks. What I advocated is the same kind of action as the communists are taking now. I may say that my view is that we are not dealing with tulips; we are fighting communism. In destroying poison ivy it is better to wear boots than ballet shoes.

Mr. Pearson: I think, in view of what the hon. member has said, I should just quote from *Hansard* so that there will be no misunderstanding. If I have misrepresented the meaning of his words I shall be glad to withdraw the interpretation that I gave them, but I will just read what he said. This appears at page 1902 of *Hansard*:

A policy of restricted action, of containment, of an isolated war is something that does not bring them encouragement.

He refers there to the people behind the iron curtain who are looking for liberation. That—

—policy . . . does not bring them encouragement.

He is talking about an isolated war.

They want to be free; they want to get out from under the yoke of communism. Just as we are fighting communism, so they want to fight communism.

In the next paragraph he discussed the recent political developments in the Balkans which have led to the association of Greece, Turkey and Yugoslavia. He went on to say:

I am sure that the impact of this anti-cominform pact on countries like Bulgaria, Albania and even Roumania is certainly very considerable. Now, are we going to encourage that? Are we going to encourage an attack there on the flank? Of course we are. Why, then, should we not encourage an attack on the other flank in China? There are many ways of beating the communists, and we have to use all of them.

Those were his words, and the house will of course be able to draw its own conclusions from them.

I should like now to make a few comments about a Pacific security pact. In discussing this matter the hon. member for Peel said that I had erected four or five roadblocks in the hope that they would be impassable. Well, he did not try very hard to pass them himself, although he did make an effort to skirt around the end. The hon. member for Vancouver-Quadra (Mr. Green) accused me of laughing off the idea of a Pacific security

pact. I should like to point out for his benefit that I do not recall at any time in this house ever laughing at the idea of a Pacific security pact. It is nothing to laugh at. I do not think any member on this side has laughed at it. It is a very serious question. The fact that we have had nearly 20,000 Canadian soldiers cross the Pacific in the last two and a half years to fight for security means that it is no laughing matter. I hope the hon. member will exonerate me from that charge which he levelled the other night that I had laughed off the idea.

If I may say it with respect, the hon. member, in his comments on this matter, did not deal with the objections which I raised at this time to a Pacific security pact. He produced one argument, and I think one argument only, in favour of a pact. The argument that he advanced, and it is a good argument, was that a pact was necessary at least for the purpose of consultation. The hon. member for Peel also pointed out the value of a Pacific pact at this time for consultation. But I would suggest to him, and to hon. members, that a security pact, to be a security pact, must mean much more than mere consultation. We have lots of consultations now in Washington and in other places about the Pacific. A security pact, if it is to be effective, goes beyond consultation. If consultation under present circumstances would be its great value, and if a Pacific security pact for consultation only would have saved us from some of the alleged embarrassment of the last few weeks in connection with the Formosa decision, why was it that those members of the Pacific region who belong to that kind of pact now, the Anzus pact, did not, by that fact, get any advantage in consultation over the rest of us who do not belong to that group? So far as consultation is concerned, we heard about this decision as soon as they did.

The hon. member for Vancouver-Quadra suggested that we are lapsing back into a policy of a new kind of isolationism, I think he called it—it may have been some other hon. member who used that expression. I believe I am correct in saying that he said we refused consultation because of the fear of commitments.

Mr. Green: May I correct the minister? I was referring to the stand taken by the late Mr. King in the late thirties with regard to the commonwealth of nations, when he said that we could be informed but not consulted.

Mr. Pearson: That is quite right. Here is what the hon. gentleman said, as recorded at page 1885 of *Hansard* for February 12, 1953:

> That reminds me of the policy of this government before the war under the leadership of the late Right Hon. Mr. Mackenzie King, when he declared that in so far as the United Kingdom and the other nations of the commonwealth were concerned they could inform Canada of policies but they could not consult us because if Canada were consulted then she might be under some obligation.

Then he went on to say:

> We are now having this same problem in reverse. I hope the Canadian government would prefer to be consulted by the United States rather than just informed, as was the case last week.
>
> This action has all the earmarks of Canada being dragged along by the United States, and that situation is not good enough. It does not exist in the North Atlantic area because there we find consultation between members of the North Atlantic Treaty Organization . . .

Well, to remove any fears that might exist in the hon. member's mind, I can assure him that we do not reject consultations because of any fear of commitments which may result from the consultations. Indeed, there are lots of consultations going on now, and in practically all of them Canada is participating.

Mr. Green: There was not any about Formosa.

Mr. Pearson: He himself mentioned in the course of his speech consultations in regard to the military arrangement for southeast Asia; I think he was quoting from a press dispatch. He asked if Canada was prepared to join the organization referred to in that dispatch. On that subject I can only say, Mr. Speaker, that no such arrangements have been agreed upon. Military talks are going on in regard to an exchange of intelligence and co-operation on military matters in the southeast Asian area. We are informed about those talks, and as they have not been completed as yet they are highly confidential and I cannot say anything more about them at this time.

Mr. Green: Is Canada taking part in them?

Mr. Pearson: We have attended some of the meetings, and some we have not. We have been informed about the meetings we have not attended.

There are one or two other matters with which I suppose I should deal before I sit down. Many members emphasized, and I referred to this last night, that in any dealings with the United States we should speak up. The hon. member for Peace River mentioned that, as did the hon. member for Assiniboia (Mr. Argue). In reply I can say only that we have spoken up. We do speak up when the circumstances seem to require it, and we will in the future. But I hope that we will

show a sense of responsibility in doing so, and that we will relate our talk, when we have to talk, to our commitments and that we will relate our commitments to our resources. I should like to ask if any of the hon. members opposite would add to those commitments at this time and under the present circumstances?

One result of the new situation which seems to be in the process of being created is that the psychological side of the cold war will assume a greater importance than it has in the past, both in Europe and in Asia. From what we have been learning, it seems fairly clear that it is being stepped up. If it is meant to hearten free men now in slavery and to strengthen their determination to regain their freedom, that is something that we must all support. The essence of that program is contained in the word "liberation".

But I would suggest also, Mr. Speaker, that there is danger to the people behind the iron curtain who are longing to be free, in the misinterpretation and indeed the mishandling of this kind of psychological warfare embodied in the word "liberation". "Liberation" means more than that to those listening to clandestine broadcasts; it means troops marching in to liberate them. We would not be very responsible if, in our psychological warfare, now an important part of the cold war, we gave the impression at this time that troops are likely to be taking that kind of action overnight to liberate them. The trouble about psychological warfare, especially psychological warfare in a coalition of democracies, is that unless we are very careful we will confuse our friends as much as we confuse our foes. Harold Nicolson, who knows a great deal about the conduct of international affairs and the principles which should guide them, said not long ago that we should stop worrying so much about what is in the minds of our foes and make sure that we know what is in our own minds; then we might be more successful. That may be true but it is also helpful to know what is in the mind of the other man. A United States commentator on the air the other night, in talking about psychological warfare, said something that I thought was interesting when he stated: "If we do not know what we have in our own mind, it is reasonable to assume that the enemy can't know and so this might be just as good psychological warfare as if we planned it that way".

Mr. Diefenbaker: Who said that?

Mr. Pearson: That was said by a United States columnist by the name of Lowell Mellett.

[Mr. Pearson.]

There is one final subject, namely, assistance to underdeveloped areas, which was dealt with by the hon. member for Melfort (Mr. Wright) and also by the hon. member for Assiniboia. In the few minutes I have left I cannot do justice to this exceedingly important subject. The hon. member for Melfort has, I think, presented an assortment or—and I hope he will not be offended if I call it this—a selection of statistics designed to show that Canada was not doing its part in providing non-military financial aid and technical assistance to other countries. I do not propose to follow him through his numerous calculations but I cannot agree with the conclusions that he drew from them.

For instance, I am surprised that he made such a hard and fast distinction between grants in aid and loans. His attempt to hold to this distinction led him to state that between April, 1947, and March, 1952, the United States spent over a billion dollars on offshore purchases from Canada whereas—and I quote from him—"we contributed not one cent to direct European aid". The fact is, of course, that during this very same period drawings on post-war loans by the United Kingdom and others were considerably in excess of $800 million, even after allowing for certain repayments. The use of these loans during that time represented a heavy demand on our economy. Unlike the United States, we did not have during those years a large balance of payments surplus; in fact we had a substantial deficit with the United States.

Despite that fact and despite the developing needs of our own economy, our contributions to other countries have, I think, compared favourably with those of the United States; and I do not think we need to blush in making the comparisons. As the hon. member himself observed, we provided over $2,414 million worth of assistance between the end of the war and the end of the last fiscal year, when the United States was providing something over $35 billion. Even if the element of military aid in both these figures were to be removed, it would be apparent that we had done more than one-fifteenth as much as the United States. That is a basis of comparison which I think is more than fair in terms of national income. The scale of financial aid that Canada has provided since the war, combined with relatively liberal import policies, seem to me to represent substantial contributions to the economic health and stability of the whole of the free world.

I think it is also important that we should carefully examine priorities between various competing claims. The first priority is, of

course, to provide for our own defence security and the second is the development of our national resources. The countries which we are attempting to assist, and rightly so—the underdeveloped countries—themselves accept that priority. In some of those countries where the standard of living is so low and where the need for assistance is so great, they use up to fifty per cent and sixty per cent of their budget on their own military defence. They accept that priority in spite of their circumstances. I therefore doubt whether we are open to criticism if we have to give our own military defence first priority.

I think it should be remembered also that, with due regard to the importance we attach to economic assistance and technical aid, if war should come the only kind of technical assistance which would be required would be machinery for removing the rubble and the ruin. Yet as the hon. member for Melfort and others have quite rightly emphasized, we must do our part in promoting the welfare of underdeveloped countries. That is why we should continue—and I mentioned this point some days ago—to recognize the Colombo plan and similar activities as being of primary importance in our international economic policy.

This afternoon the question arose as to what we had done for Korean relief. I have not the figures before me but I know that there was a period—and it was not many months ago—when the contribution of Canada to Korean relief was greater than that from any other country, including the United States, and that that United Nations agency at one stage of its existence not so long back depended almost entirely on Canadian funds to keep going. Since that time the United States have made larger contributions than we have; but we have played an active part in that particular field of relief, and I hope we shall continue to do so.

Mr. Wright: Is there anything for it in the estimates this year?

Mr. Pearson: The matter is under consideration as to what contribution we should make this year.

In the course of this discussion which I am now closing we have had disagreements, but more in method than in principle, more in means than in ends. The points that unite us on foreign affairs are far more important than are the comparatively few that divide us. I think we are all agreed on our goals, namely, peace and security with freedom. I think we are all agreed that the threat to us is a global one and that we cannot have any security in the Atlantic without thinking also about security in the Pacific. We are becoming more and more aware of that fact.

Mr. Green: Hear, hear.

Mr. Pearson: The hon. member for Vancouver-Quadra the other day said that in the North Atlantic council we have been talking about Pacific security. I think that is a healthy development. I think we are also all agreed that the tension remains great and that to meet that situation the maximum amount of unity in the free world is essential. I think we are also agreed that communist strategy remains constant though communist tactics may shift, and that we should not shift ourselves as their tactics shift but should rather keep our eye on their strategy.

Then finally I think we are all agreed that the policy of building up our strength to be used unprovocatively is working in western Europe, as the hon. member for Brandon (Mr. Dinsdale) pointed out last evening; that if there is any easing of the tension there it is because of that fact. We would be well advised to extend to other areas the methods and the principles which we are beginning to find successful in relieving tension in Europe.

In Korea and the Far East, as in other areas where the infection of communist aggression is most virulent, the course we must follow must be dictated by our own strategy and by our own interests, not by the tactics of the aggressor. I think we are all convinced that the fight against the communist infection and its spread cannot be won overnight or be cured by any kind of miracle drug. It can and, I believe, will be won by pursuing a steady and determined policy based on patience, resolution and strength.

Mr. Low: I was wondering whether the minister would permit me one question in connection with the Korean situation. Does the United Nations still adhere to the determined policy, as laid down in a resolution of 1950, to unify Korea? If so, have they a policy or plan by which they think that that can be done?

Mr. Pearson: The military objective in Korea as established by the United Nations' resolution is to defeat aggression and only that. The political objectives that have been included in the United Nations' resolutions provide for the freedom and unity of all Korea on a democratic basis. It is of course, I think, the desire of all members of the United Nations that once aggression has been defeated and peace has been restored we should do our best to realize that objective as well.

Mr. Noseworthy: May I direct a question to the minister? In view of the intense propaganda that communist front organizations are carrying on in favour of a cease-fire in Korea, would the minister care to deal with it at a little greater length than he did in his speech?

Mr. Pearson: I shall be very glad to do so if the house will give me a minute or two, because this is an important subject. It is the core of the communist propaganda at the present moment, and it may be making more headway than it should. The demand now being made—and we shall hear about it at the United Nations general assembly, I am quite sure—is that we should have a cease-fire at once, and that these other subjects, prisoners of war and all the rest of it, should be left for further negotiation by a United Nations committee.

The best answer to that propaganda is that, if the communist states had accepted that resolution accepted by 54 other states last autumn at the United Nations general assembly, we would have had our cease-fire by now within the ambit of an armistice which would have dealt with prisoners of war. Those prisoners of war would have been exchanged by now, and the political conference which we have been talking about might have begun by now. This new propaganda is an effort on the part of the communists to make people forget that they refused to accept a cease-fire last autumn.

What they suggest now is that we accept a cease-fire at once, with other questions remaining to be determined by a commission of eleven members, of which four would be communist states, North Korea, communist China, Czechoslovakia and the U.S.S.R., and that that commission, which would settle these other questions, should proceed by a two-thirds majority which would give the four communists a veto over any action, or indeed over any decision.

Motion agreed to.

ATOMIC ENERGY

APPOINTMENT OF COMMITTEE TO EXAMINE INTO OPERATIONS OF CONTROL BOARD

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved:

That a special committee be appointed to examine into the operations of the government in the field of atomic energy; that the said committee be empowered to sit during the sittings of the house and to print such papers and evidence from day to day as may be ordered by the committee; and to report from time to time; that the said committee consist of Messrs. Bourget, Brooks, Coldwell, Gibson, Green, Kirk (Digby-Yarmouth), Low, McCusker, McIlraith, Murphy, Murray (Oxford), Pinard, Stuart (Charlotte), Winkler.

He said: Mr. Speaker, in moving this resolution I do so because I believe that it is the desire of the house generally to examine the government's program in the field of atomic energy. The government shares the view that has been expressed by several hon. members that it is desirable to review this program after a period of three years.

Some three years ago a committee was appointed and did make a comprehensive review of the program and reported to the house on its findings. I think it can be said without fear of contradiction that the report of the committee approved the operation as of that day, and I sincerely hope that another comprehensive review of the program will permit a similar report to be made to the house later in this session.

The program is still dominated by military requirements. Three years ago the committee was formed just after the first atomic explosion had occurred in Russia. Since then two other atomic explosions have occurred in Russia. The United Kingdom has exploded an atomic bomb in Australia. The United States have exploded several bombs in the Pacific, all indicating that the military field is very active indeed. As a matter of fact, it is common knowledge that the United States is spending enormous sums of money, running into billions of dollars, to expand the military program in atomic energy at this time. Therefore our own work in atomic energy is still strictly confined within the rules of secrecy.

We in Canada are not engaged in military development, but the work that we are doing at Chalk River is of importance to military developments, and for that reason, and for other reasons, cannot be made a subject of common knowledge. I am sure that the committee will appreciate that fact and will be governed accordingly.

Much has happened at Chalk River in the intervening three years. When the committee last visited the property the small pile, which was completed in 1945, and was known as the Zeep pile, was in operation, and a new pile of larger capacity was also in operation. The second pile has been doing very excellent work. Its operation has been subject to interruptions from time to time. I think the operation has been interrupted eight times by minor explosions, and today the pile is not in operation. At its inception it was estimated that the life of the pile would be four to five years. The pile has been in operation

for five and a half years, and when the last explosion occurred it was decided that it would be worth while to decontaminate the calandria—the calandria is the interior of the pile—to withdraw the calandria for examination and build and instal a new calandria which would in effect give us a brand new pile for pile No. 2. That would cause interruption of its use for some months, but everyone interested in atomic energy believes that it is well worth while. For the first time we would be able to determine the life of a pile more accurately. We have also determined the operating steps that will prolong the life of the pile. Had we known a few months ago what we know today, the last explosion would not have occurred, and probably other explosions would not have occurred. Therefore we feel that rather than a calamity, the last explosion was perhaps fortunate in that we are able to rebuild the pile and to determine the effects on the pile of the operation of the past five and a half years.

Hon. members also know, as a result of the report of the earlier committee, that a third pile is now under construction. That work is on schedule. The pile will come into production sometime in 1954, as was planned. We believe that it will be the most efficient pile that has ever been built and will incorporate all the information that has been gained at Chalk River as well as information that has been gained elsewhere. The last should be the best, and I have little doubt that the new pile at Chalk River will be the best that has been built up to that time.

In the field of raw materials there has been a good deal of progress. Canada's sole source of supply, when the committee met last year, was the Eldorado mine at Great Bear lake. Since then mining development has been opened up in the Beaverlodge area of Saskatchewan, and an immense amount of work has been done in that area. A mill is under construction, and it is anticipated that mines in this area will be in production by May of this year. The deposit is very much larger than the Great Bear lake deposit, but of a somewhat lower grade. We are certain however that it will make a very valuable contribution to the supply of raw material for atomic energy.

A further development has been the installation of equipment to recover uranium from the gold tailings in South Africa; another development has been the discovery of deposits of uranium ore in Australia. The other sources of supply are producing at about the rate they were when the committee last met.

In the field of isotopes Canada has made a very valuable contribution in many directions. Perhaps the most spectacular isotope application has been the cobalt bomb; at least that has been the most spectacular application. Six of the cobalt bombs are in operation today in Canada and in the United States, and two more will be in operation within a month or two. The demand for the bombs is greater than Canada can supply in any reasonable time. The Canadian pile happens to be the only one that can turn out cobalt 60 within a reasonably short time. We can do it at Chalk River very much quicker than any other pile. The use of isotopes is expanding rapidly in many fields, and their sale has become an important business. The Chalk River organization is on the point of erecting a special building in Ottawa to manufacture isotopes into various commercial applications.

The government has felt that the work of atomic energy should be concentrated under a management independent of the national research council. When the committee last visited Chalk River the property was being managed by the national research council; today it is being managed by Atomic Energy of Canada Limited, a crown company formed some months ago. I think this was a constructive step.

The next problem facing those interested in atomic energy is the application of that energy to the production of power. Much progress has been made to that end; but much more needs to be done before we have an efficient application of this kind. In the United States it is common knowledge that an atomic-driven submarine is being developed. We also know that other applications of atomic energy for power are under construction.

Here in Canada we believe that the time has come to undertake the development of atomic power in this country, and discussions are going on as to ways and means of bringing about that development. We feel that the production of power is the concern of those who distribute power, organizations like the Hydro Electric Power Commission of Ontario, or the major privately-owned power companies.

It is hoped that arrangements can be worked out so that the knowledge of Atomic Energy of Canada Limited can be made available to these organizations, and that the organizations themselves can undertake the development work. I am sure the committee will be interested in examining that phase of the subject, and I know the government will

be interested in obtaining the views of the committee as to whether that is a sound approach to a very important problem.

We do know that atomic power can be generated at a cost which at present is not as low as hydroelectric power, but which is very interesting, indeed, as applied to remote areas where hydro power is not available. It is my own belief, and that of others who are associated with the problem, that the development of atomic power will lead to lower costs, and a very interesting opportunity to enlarge our national resources in the field of power.

I do not know that I need say more at this time. I might add that all the resources of Atomic Energy of Canada Limited, and other crown organizations, will be at the disposal of the committee; and I predict that the members of that committee will have a most interesting experience in following its work.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this is one debate in which we can all very well agree on the wisdom of the proposal under discussion. The official opposition heartily support the minister's motion to set up this special committee to examine into the operations of the government in the field of atomic energy, and we are grateful to the minister for the information he has given the house today.

As he knows, when the atomic energy control board was first set up in 1946, we took the stand that there should be some committee of the house, or a joint committee of the House and Senate, whose duty would be to keep in touch with the activities of the atomic energy control board. The government did not see fit to accept that suggestion; it was not until the fall session in 1949 that a committee of any sort was set up in the house. As the minister has indicated, there was then appointed a select committee to examine the activities of the atomic energy control board. The motion was worded somewhat differently from the one now before us, but I would imagine that the scope of the present motion will be about the same as that passed in the fall of 1949.

We had advocated that there should be a committee, partly because of the situation in the United States. I admit at the outset that their legislative process is quite different from ours. But in that country the United States atomic energy commission has, and has had from the start, three watchdog committees. One is known as the general advisory committee, another as the military liaison committee, and the third as the joint committee on atomic energy, this last named being a joint committee of the Senate and the House of Representatives.

The general advisory committee is appointed by the president and consists of nine members, all of whom are outstanding men either in the scientific or in the business world. Their duty is to advise the commission on scientific and technical matters relating to materials, production, research and development. I presume in Canada we can get somewhat the same advice from the advisory body connected with the national research council which consists of leading scientific men from different parts of Canada.

The military liaison committee in the United States has the duty of advising and consulting with the atomic energy commission on all atomic energy matters which it deems to relate to military applications, including the development, manufacture, use and storage of bombs, the allocation of fissionable material for military research, and the control of information relating to the manufacture or utilization of atomic weapons. The first concern there has been the development of the atomic bomb and I suppose there has been far more need for a military liaison committee than would be the case in Canada.

However, there seems to be more reason why Canada should attempt to follow the United States provision for a committee of elected representatives. The purpose of that joint committee, which as I have said is composed of members of the Senate and the House of Representatives, there being nine from each body, is to make continuing studies of the activities of the atomic energy commission and of problems relating to the development, use and control of atomic energy. That is set out in the twelfth semi-annual report of the United States atomic energy commission, at page 53. The report goes on to say:

> The committee is kept fully and currently informed with respect to the commission's activities. Legislation relating primarily to the commission or to atomic energy matters are referred to the committee.

They are supposed to be acting for congress. It is put very well in one of the reports of the United States atomic energy commission in this way:

> The atomic energy act provides for very close relationship between the joint committee—

That is the joint committee of congress.

> —and the atomic energy commission. This close relationship recognizes the somewhat unusual nature of the atomic energy program and appears to afford a continuing and thorough-going opportunity for the congress, through the joint committee, to keep informed of and to bring its ideas to bear upon the atomic energy commission program.

The minister has said that in Canada we have followed the practice of appointing a committee to review the program of our atomic energy control board, apparently once every three years. Of course there is a vast difference between an arrangement of that kind and a plan such as the United States is following. I hope that the government will give some further thought to this question because it does seem vital that the House of Commons, and for that matter the Senate, of Canada should be tied in more closely with atomic energy developments in this country. I put that forward as a suggestion to the minister for consideration as to what the course should be in the future.

I had the privilege of serving on the committee which was set up in 1949. I notice that the same members are to be appointed this year with the exception that the hon. member for Oxford (Mr. Murray) replaces the Hon. Louis Breithaupt, who is now the lieutenant-governor of Ontario. I have never served on a committee where the work was more interesting or where there was more co-operation, and I give some credit for that to the chairman, the hon. member for Ottawa West (Mr. McIlraith). We had worth-while sessions and I am sure that all hon. members who are going back on the new committee are delighted that they are to have that opportunity.

I must say also that I was much impressed by the spirit of the young Canadians who are carrying on this atomic energy work for Canada. I have never encountered such high morale or esprit de corps as we found at Chalk River and Deep River except in the Canadian corps during the late years of the first war. As a matter of fact, the attitude of the young men at Chalk River reminded me very much of the attitude of the young Canadians in those war years.

Those young men and women are doing a grand job for Canada. I am sure that many of them could be earning larger salaries in the United States or other countries, but as one of them expressed it to me, "Oh, this is so exciting I would not leave for anything." I presume the spirit is much the same at the present time. We were also greatly impressed with the attitude of the universities of Canada. They have taken a major share in the development of this atomic energy program and deserve great credit from the Canadian people.

As the minister has said, in 1949 the main interest was the development of atomic energy for defence purposes. At that time its use for civilian purposes was considered to be remote, in fact so remote that, as I remember, the committee did not spend much time in considering that side of the problem. However, it now turns out that atomic energy will be available for power purposes much sooner than had been anticipated. I notice in the report of our own atomic energy control board for the fiscal year 1951-52 there is reference to that fact at page 8 in the following words:

> The increasing industrial aspects of this project arising out of the construction of the new reactor and the growing view that large-scale industrial application of atomic energy was closer at hand than had been expected, however, have made it desirable that this project be operated by a separate organization without other responsibilities.

The report then went on to tell of the setting up of a new crown company known as Atomic Energy of Canada Limited. It, by the way, is under the presidency of Dr. C. J. Mackenzie, who was formerly president of the national research council and who certainly deserves a great deal of the credit for the success which Canada has achieved.

I notice, in checking the reports from the United States, that they are now working on a second submarine, and that also they are working on, I think it is called, a "prototype power reactor" for aircraft. I have here the thirteenth semi-annual report of the United States atomic energy commission which was issued just a few days ago. It says:

> A contract was entered into for developing a reactor to supply power for a large naval vessel such as an aircraft carrier.

Also:

> Work began on a testing facility for prototype nuclear power plants for aircraft.

A press dispatch dated January 29 of this year from New York reads as follows:

> Atomic energy to run industrial power plants and light homes is possible within two years—one authority predicts today—if congress and the defence department would permit it.
>
> A big utility company goes him one better and says it may be ready within one year to build an atomic power plant and feed its juice into existing electric lines in the Detroit area.

Dispatches of about the same time indicate that in the United Kingdom they are also preparing to build or are actually building an atomic power plant to produce power for use in industry.

So, I think, our main interest is now in the potentialities of atomic energy in the civilian field, and primarily as a source of power. I suggest to you, Mr. Speaker, that brings parliament even more directly into the picture. As a parliament we are really very deeply and directly involved in this development. I might give some reasons for that submission.

In the first place, in Canada the state or the government has assumed all the responsibility for purchasing the raw material, uranium. For a time the government had all the responsibility also for discovering uranium; but now, I believe, private industry is encouraged to do the mining but the government, through the Eldorado Refining company, purchases all of the uranium. Also, the state is entirely responsible for the manufacture of any products of this uranium and for the distribution of those products. Some day, and I take it from what the minister has said today that the day has just about arrived in Canada, a decision will have to be made as to the extent to which private industry will participate. I doubt very much whether the government can go on indefinitely assuming the whole and complete responsibility.

I notice that the Americans are having the same problem. They moved, some months ago, to further the participation of industry in the atomic energy program. For example, I find in the twelfth semi-annual report of the atomic energy commission, at page 2:

> The progress of power reactor development and of studies by industrial teams on possible combinations of plutonium and power production, along with the mounting impact of atomic energy progress upon the industrial community of the nation, led to the establishment of an office of industrial development . . . This office . . . maintains a positive, continous link-up between American industry, large and small, and the atomic energy program for purposes of the widest possible participation of industry in the program, and the widest possible service of the atomic energy program to industry.

This twelfth report also indicates that for the first time industry was being permitted to build one of the reactors. All the rest were built by the commission; apparently permission had been given for one privately owned reactor.

Then in the thirteenth report, the latest report, we find that they really have come up against the problem of what part industry is to play, and on page 3 we find this:

> Highly important for the long pull in the nuclear power field, industrial firms and leaders have evinced a solid and a growing interest in power reactor development. This interest was indicated in part by the increasing number of suggestions that the atomic energy act be revised to encourage further industrial activity. These suggestions raise policy issues as atomic energy development enters its second decade.

It is hard for us to realize that it is now over ten years since atomic energy work first began.

> The considerations involved are neither few nor simple. Pages could be filled with the main questions of policy and the smaller questions of detail which follow in their train.

[Mr. Green.]

On page 23 we find a further reference to the same problem as follows:

> The anticipated large-scale participation by industry raises unique policy and contractual problems on such matters as ownership of plants, licensing and use of fissionable materials, secrecy, patent rights, public safety, and liability in case of disaster. Such broad questions require that decisions be reached in collaboration with other government agencies.

Now, Canada will be faced with those same problems and the responsibility, in the long run, will have to rest on the Canadian parliament.

Then another reason why I say we are directly involved is the cost. The country has to finance this program and, as I read the estimates for the coming fiscal year, there will be nearly $20 million required for the atomic energy control board. The minister can correct me if I am wrong in that, but I think the figure is approximately correct.

Mr. Howe: I think it is too high, but I suppose that is one matter the committee can look into.

Mr. Green: Well, the figures are found on page 45 of the estimates, under "National research council and atomic energy control board", and they add up this way: Administration expenses of the atomic energy control board, grants for research, current operation and maintenance of Atomic Energy of Canada Limited, construction or acquisition of buildings—a total of $12,466,888. Then there is an item on page 75 to provide for advances to Atomic Energy of Canada Limited and so on, $7,111,980, and also $300,000 to provide working capital for the new crown company. The figures taken together total between $19 and $20 million, and for the fiscal year which is expiring on March 31 the figure is about $17·5 million. In any event, a lot of money is involved and it is the responsibility of parliament to pass those votes and, of course, to see that the money is properly expended.

There is a third reason why parliament is directly involved in this program, and that is the tremendously widespread effect that atomic energy is bound to have on our national economy. Parliament must obtain the knowledge necessary to shape wise policies on this question. This cannot be achieved if none of the members of the house know what is being done. We cannot have wise policies adopted here if members of the house do not have information as to what is taking place. For all these reasons, I repeat that parliament is directly involved. I believe that the committee can be a great help, perhaps not only to those who are taking part in the program but also to other members of parliament.

In conclusion, Mr. Speaker, may I say that atomic energy forms one part, and a very important part, of the fascinating picture of the future Canada which is unfolding before our eyes. We are in the front rank in this new development. I believe our production of uranium is the second largest in the world. Perhaps I am wrong in that. I believe that Belgium—

Mr. Howe: It is third at present, but I think it will be second when the Beaverlodge comes into operation.

Mr. Green: It was second at one time, apparently. Is United States second now?

Mr. Howe: Yes.

Mr. Green: And Canada is third.

Mr. Brooks: Do we know how much is being developed in Russia?

Mr. Howe: No.

Mr. Green: In addition, we have been connected with this development from the start. The United States, the United Kingdom and Canada have been partners from the beginning in working out the whole atomic energy program. We stand, therefore, in a very favourable position. If we take our position with regard to atomic power, water power, coal, oil and natural gas, I believe that together they make it possible for us to develop Canada into one of the leading nations of the world.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we of the C.C.F. welcome wholeheartedly this motion to establish once again the special committee on atomic energy. When we are dealing with this subject we realize it is a most fascinating field, indeed one that excites the imagination. I think perhaps many of us believe that the day will come when the realities that arise from atomic energy will be even greater than our imaginations might portray.

We are particularly glad to know the extent to which our activities in the field of atomic energy relate to finding ways and means of using its power in peacetime pursuits and in the field of medicine. I suppose the world as a whole will not soon forget that the first inkling we had that atomic energy was with us was in its use for destructive purposes at the end of world war II. We still think of it in terms of the extent to which it might bring wholesale destruction. Yet, Mr. Speaker, there have been other discoveries and other inventions across the years, which men of those days thought would bring the end of the world. Instead, those discoveries and those inventions have led to a higher standard of living and greater productivity for the good of mankind. I am one of those who believe that if we can keep our heads in respect of international affairs, along the lines suggested in another speech earlier today, we might live to see the day when we can forget the extreme dangers involved in atomic energy and enjoy the untold benefits which it holds for mankind.

I am sure that all of us, as Canadians, are particularly proud of the part Canada has played in the development of atomic energy. We hope that very real progress can be made in the next few years, particularly in relation to power for peacetime industry and in relation to the use of this marvellous discovery to aid the health of mankind.

I listened with interest to the remarks of the hon. member for Vancouver-Quadra (Mr. Green). I find myself in sympathy with a good deal of what he said. There is, of course, one point where we part a bit, and that is when it comes to the question of the relationship between public authority and private enterprise so far as atomic energy is concerned. There are those who will see plausibility in the case he was making, but it does seem to me that atomic energy is so important to the people as a whole that a policy of public control is extremely important. In that connection, we support the position that has been taken by the government thus far. I agree with the hon. member for Vancouver-Quadra that further discussion might be had in the committee as to the relationship between parliament and the executive in connection with this matter, but I do urge that public control of the development of atomic energy be maintained.

There are other thoughts, Mr. Speaker, that one might develop at this time, but I think it is perhaps unnecessary to do so. I may take this opportunity, particularly because my leader happens to be out of the house having had to go and record a broadcast, to say that we are very pleased that he is not only able to be back with us in the house but that he can take his place again on this special committee on atomic energy. He found it of great interest when he was a member four years ago, and I am sure he was able to make a contribution to the discussions of that committee which will be repeated on this occasion.

Having said that, and since my leader is not here to check me for saying what I am now going to say on behalf of those in this group, I want to say that we were most grateful to the Prime Minister (Mr. St. Laurent) for the kind words of welcome he extended to our leader when he was able to return to the house yesterday.

With those few comments, I am happy to indicate our wholehearted support of this motion for the establishment of this committee.

Mr. Solon E. Low (Peace River): I feel it would be unnecessary for me to launch into a long speech this afternoon in connection with the motion that has been moved by the Minister of Trade and Commerce (Mr. Howe). But I think it is wise for me to indicate, on behalf of my colleagues, that we are happy that he has brought forward this resolution and is preparing to set up the committee on atomic energy again this year. I also express to the minister my appreciation for the way in which, in 1949, he facilitated all the arrangements, as far as it was humanly possible to do so, so that we should have the fullest investigation into atomic energy development at that time.

I was a member of the committee in 1949 and I greatly enjoyed my work. In fact, I do not know when I have served on a committee that intrigued me quite so much as did this one. I think I can subscribe fully to what was said by the hon. member for Vancouver-Quadra (Mr. Green) when he stated that the committee was unified. They went at their work with zest and energy; and I believe we came out of it with a fund of information, at least on our own level, that we could appreciate. As far as we could understand the whole project, I think we came out perfectly satisfied that the government's policy was good, that it was sound and that they were making the right kind of progress.

In the course of our investigation we learned that the major use being made of the plutonium or the fissionable materials that were being manufactured was for defence purposes in case we ever had to use them. Nevertheless, we felt that the project at Chalk River was most important and necessary. I hope nobody will do as the hon. member for Fraser Valley (Mr. Cruickshank) did last night; that is, hook on to what I have just now said and claim that because we support the government in its effort to supply a certain amount of fissionable material for atomic bombs, we therefore stand for war. That kind of thing is foolish; it is childish. We stand for the best possible use of what we have at hand to meet situations that now confront us as well as situations that may develop in the years ahead.

I detest the idea and the thought of having to use atomic energy for destructive purposes. When I say that, I think I am expressing the feeling of every member of that committee. I do not believe there was a person on it at any time who felt that it was a good thing for us to be spending our energy and our materials in the development of a substance that could blow into smithereens thousands of people and millions of dollars worth of property. But we must be realistic. As long as we are living in a world that is divided, as is the world today, into two hostile camps, I think it is essential in the interests of humanity that we keep ourselves prepared. I also think that what Canada has been doing in the development of atomic energy may have contributed in no small way to the maintenance of peace up to this time. The very fact that we are in a position to defend ourselves in the free world has, I think, been a source of strength that has prevented aggression.

But what I am most anxious about now is how we shall be able to develop atomic energy for use in peacetime. I welcomed the statement the minister made this afternoon. I think he used some such words as these: The time has now come for the development of power using atomic energy. I think that is an exceedingly encouraging statement. When we were studying atomic energy at Chalk River and in the committee in 1949 I believe we were given the impression that perhaps the development of atomic energy for peacetime purposes, or at least its application for the development of power, might be quite a number of years ahead. I believe one of the things we were told at that time was that the high temperatures required to develop power in sufficient quantity to make it economical and worth while would require a type of material, for containing the little pile itself, that could withstand these terrific temperatures, and that nothing had yet been developed that could do so. I believe we were told at that time that in the field of ceramics certain highly interesting work had been going on and that in that field they might find the answer to the great need for a material that could withstand these terrifically high temperatures.

Mr. Speaker, I am looking forward to learning what progress has been made in that direction since 1949. I am also anxious to see every possible development in the field of atomic energy so that outlying places—those remote areas that need power—will be able to have it without having to pay the terrific costs now involved in carrying it overland for the great distances that it has to be carried. It looks to me as though the development of atomic energy for that purpose is feasible, and opens up great possibilities for the building of fairly large centres in the remoter areas of our country. It will be

intensely interesting to see just what has been achieved in the three years since we last studied this matter.

Like the hon. member for Winnipeg North Centre (Mr. Knowles), I have been interested in following the developments in the field of medicine, particularly with regard to isotopes and cobalt bombs. From what the minister said this afternoon I understand that six of those bombs have now been made available to various universities and medical centres, and that perhaps two more are in process of manufacture. I hope I am right when I say I believe one of those is earmarked for the university in Edmonton, or else they already have one; at least we have been looking for one for some time. Our cancer clinics and research and development bodies in that area have certainly shown the need for a cobalt bomb.

The development of isotopes or the use of activated materials has been of tremendous importance not only in the field of medicine but also in industry. I have been keenly interested in noting how they have been applied to industry for the perfection of the different materials that we have been making here. We in Canada stand in a preferred position in the world by virtue of the fact that we have gone so far in the development of atomic energy.

That fact is a testimony to the foresight of those men of vision who undertook the project in the first place. I believe that to Dr. Mackenzie we owe something of a debt not only of gratitude but of recognition for the great work he has done. Mr. Speaker, without multiplying words at all, let me say that in 1949, when we visited the plant at Chalk River, we were shown every courtesy. Dr. Mackenzie and his splendid group of young scientists gave us every opportunity to see and to learn. They made available every possible facility and, as I said, were extremely courteous in every way. We appreciated that, and I am looking forward to feeling that same exhilaration that I felt in 1949. May I say too that the chairman of the committee, the hon. member for Ottawa West (Mr. McIlraith), also contributed greatly to the success of the committee's sittings in 1949. I heartily support the resolution this afternoon.

Mr. J. H. Harrison (Meadow Lake): I should like to say a few words on the motion to set up this atomic energy committee. I think it is a step in the right direction. It will give hon. members some insight into our atomic energy commitments, and just what this country has achieved in the way of leadership in the world in this particular form of energy.

I should like to compliment the Minister of Trade and Commerce (Mr. Howe) on the position that Canada finds herself in with regard to atomic energy. It is a tribute to his foresight that we are one of the world leaders so far as atomic energy is concerned, and we have attained that position at a very moderate investment as compared with other countries that have invested in atomic energy. Foresight was required to put us in this position. Foresight and the Minister of Trade and Commerce are pretty well synonymous so far as the people of this country are concerned. Most people do not realize just what we owe to that foresight, not only as regards atomic energy but in other matters in which he has led the way in so far as Canada is concerned. Certainly we in the riding of Meadow Lake are indebted to that foresight.

In 1946 a major uranium strike was made when they found the St. Louis fault at Beaverlodge lake. Under the Minister of Trade and Commerce we were not very long in going in there and developing it on a national basis. It was the first actual development of any kind that occurred in that part of Saskatchewan. Since then it has attracted some private companies that have also gone in and done some development work. Previous to that it was a straight prospecting business.

The development of uranium is a very costly affair. But as a national asset we will realize a great deal from the money we have expended in this area. By the time they have their new concentrator running, possibly at the end of May of this year, the Eldorado Mining and Refining company will have spent approximately $17 million in development work at Beaverlodge. During that time they have proved a body of ore 1,000 feet in depth at half a dozen levels. At the various levels where they have projected into the rock face for over some 360 feet they have shown that there is a vein of pitchblende assaying somewhere between $50 and $450 a ton, from 3 feet wide to 16 feet wide, so that an ore body of some considerable magnitude has already been proved.

That is just in one shaft. It is proposed to take out 500 tons a day as soon as the concentrator is ready for operation, and to later increase that to 2,000 tons a day out of the one shaft. In other words it is proposed to run during the first year at about 25 per cent of capacity in that shaft. Altogether there are four of these shafts that the Eldorado company has sunk, and I

understand that one of them is even more promising than the one that I have just been discussing.

If you take the minimum value of the ore that has been taken out, which assays $50 a ton, you will find that we will get back more than $9 million at 25 per cent capacity of the first shaft in the first twelve months of operation, so you can see that at the very minimum we will be only two years in getting our money back if we maintain only a 25 per cent production in the first shaft. When all four shafts are at their maximum production it is only a proposition of arithmetic, knowing the ore that has been proven there, to show that this will be a national asset of the magnitude of some $250 million a year as soon as it is brought into full production.

That entails only the government mine. It has been instrumental in bringing in private mines around its outer perimeter. We have such firms as Nesbitt-La Bine who are also spending considerable money in development work. They have a shaft some 350 feet in depth, and are developing levels. When I was talking to some of their experts they told me that they were assured of a very high grade ore which is running at $58 a ton minimum.

The impact of atomic energy is possibly not realized by many people, but it will have a great bearing on our future way of life. As the steam engine changed society, and the advent of the combustion engine also had a very great impact on our way of life, so atomic energy will have an even greater impact as time goes on.

When the atom is discussed as a weapon most people stand somewhat in awe of it. What they think of is the atom bomb wiping out whole cities. Many people do not realize that it has been a great deterrent as far as the expansion of communism is concerned. In effect we have been basking under the umbrella of atomic energy in this country and in all the free world for the last four or five years. I do not think we would be in the peaceful situation in which we now find ourselves if we had not had atomic energy as a weapon. Therefore it is one of the major elements in our society.

Uranium, the component of atomic energy, is the basic material out of which atomic energy is composed. It is the major metal, shall I say, in the world today. Hon. members might be interested in Uranium City. It is something that you see in the press from day to day. When you hear that name you immediately conjure up a fair-sized city. Three years ago it did not exist except on a planning board. It is provincial land in Saskatchewan on the shore of Martin lake, which is about three or four miles from the Eldorado mines, and was laid out by the province of Saskatchewan.

Mr. Speaker: Order. It being five o'clock, the house will consider private and public bills.

CANADIAN WHEAT BOARD ACT

AMENDMENT PROVIDING FOR PAYMENT FOR FARM STORAGE

Mr. H. R. Argue (Assiniboia) moved the second reading of Bill No. 5, to amend the Canadian Wheat Board Act, 1935 (payment for farm storage).

He said: Mr. Speaker, I am pleased again to move second reading of a bill to amend the wheat board act in order that farm storage shall be paid to producers. Before entering upon a discussion of the bill, as this is the first opportunity I have had I should like to welcome the Minister of Trade and Commerce (Mr. Howe) back to Canada. I hope his trip met with every success and that it will result in expanding trade for Canada in the future.

This is a bill to amend the Canadian Wheat Board Act. Members of this group believe in the wheat board system of marketing grain. We believe the principle of having the wheat board handle all grains is sound, and we would like to see the act amended so that it might be broadened to cover the marketing of all grains, and not be confined as it now is to wheat, oats and barley.

Recently in this session I have not directed a question to the Minister of Trade and Commerce in regard to the international wheat agreement discussions. But may I express the hope that the negotiations will be successful in providing a new international agreement, with such increases in prices as have been sought by the farmers of western Canada. Certainly I for one would be greatly disappointed if the conference failed and if, as wheat producers, we had to face the future without an adequate international wheat agreement, because I think such an agreement would provide a greater degree of security for farmers in the production of their grain.

If this bill were adopted by parliament it would leave it to the wheat board to decide during what length of time farm storage would be paid, but it would make it mandatory that in each pool period such farm storage should be paid.

For the benefit of hon. members who do not come from the three prairie provinces

perhaps I should explain that this bill does not ask for any further expenditure from the federal treasury, but merely asks for a somewhat different distribution of the moneys the wheat board receives from the marketing of grain. I might add that it would not be a substantial redistribution, but one that would, I believe, contain some distinct advantages for prairie producers.

During the last two or three years we have seen the carryover of grain steadily increasing. Recently we had a bumper crop; and because of that crop, following as it did two previous large crops, we have now on hand in Canada a large quantity of grain. In order to deal fairly with that situation I feel two things are needed, one of which is farm storage as suggested by this bill and the other an advance payment on farm-stored grain. I believe if those two measures were adopted it would greatly increase the security of the farmer in the production of grain.

At an earlier point in the session I tried to obtain legislation which would make provision for an advance payment to farmers on farm-stored grain. I can think of no better security for such advance payments than grain in sound storage on Canadian farms. While a number of farmers can go to the banks to obtain loans, the smaller farmers, who very often have a substantial debt, find it difficult to obtain the necessary advances from the banks.

This bill is confined to only one aspect of the matter, and that is the payment of a storage rate for grain stored on the farms. However, along with that I would like to see legislation, which has been of value elsewhere, for an advance payment in respect of that grain so stored. I might point out that in the United States their commodity credit corporation has for many years made provision for loans for farm-stored grain, and I believe such loans have been to the advantage of the farmers in that country. It has not been difficult from the standpoint of administration, and has worked well. I have seen no suggestion in the United States that its legislation should be withdrawn. I would like to see similar legislation in Canada adapted to our particular circumstances. Such legislation would make provision whereby farmers could obtain advances on farm-stored grain.

If this bill were to pass, the wheat board would find its administration quite simple. Similar farm storage payments were made in the early years of the war. These payments were effected through a small increase in the initial payments, based upon the then storage rates. If such a bill were now accepted the wheat board would periodically increase the initial price to the extent of a quarter, a half or one cent per bushel, depending upon the period between increases in the price of wheat.

The mechanics of the legislation therefore would be simple. The wheat board would find no difficulty in matters of administration, and it would not be costly. There are some hundreds of grades of wheat, and for each grade there is a different price. The wheat board, upon being asked to adjust those various prices by an amount equal to the farm storage rate, would add little or no additional administrative costs.

I believe such a storage payment is desirable because it would enable farmers who, through no fault of their own, must keep grain on their farms, to obtain some compensation for the added expense involved. Even in a given community, with a given quota, some farmers find it more difficult than others to market their grain at an early date. The farmer with modern equipment, operating even a large farm, can harvest his crop in a relatively short time and can usually haul out his quota immediately. The smaller farmer, however, cannot do this. He may have to wait on a custom combine and he may not have adequate facilities for hauling his own grain.

Therefore in a given community one farmer has not the same opportunity to dispose of his grain as have others.

Then of course there is inequality as between various marketing points. One reason there is inequality is the fact that country elevator storage space is not and cannot be evenly distributed. Even if it were evenly distributed on the basis of any given formula, the fact that in some areas there are large crops while there are smaller crops in other areas would mean that relative to the crop that was produced the elevator storage space at some points would be inadequate.

One of the main causes of inequality is the fact that the quotas established from time to time, with the exception of the initial quotas, vary from one elevator marketing point to another. When I spoke a year ago on this subject I was able to point out what I considered were grave inequalities and bring them to the attention of the minister. I remember pointing out at one time that at a neighbouring marketing point the quota was 8 bushels per acre but very few farmers had delivered grain. Finally the farmers awoke one morning to find that the quota had been increased from 8 to 12 bushels per acre. Even though the vast majority of them had delivered only a small part of the original 8-bushel quota, that is what happened.

I am happy to say that the wheat board has improved this year on its system of quotas. There is not the same variation or disparity in the quotas as between one area and another which prevailed last year. I believe that one of the main reasons the quotas have been more equitable is the fact that the quota was not taken off this fall for a period of three weeks, as it was the year before, thus enabling certain farmers to market a large part of their crop while other farmers who had been unable to thresh at that time were unable to haul an equivalent amount of grain until months later.

I want to pay this tribute to the wheat board. In my opinion their quota system has been improved substantially over the previous year. I am sure the wheat board cannot establish the quotas it would like to establish because that depends so greatly upon the box car situation. If box cars were distributed evenly to all marketing points, then the wheat board could increase the quota at an even rate all across the three prairie provinces.

A year ago last fall I found that the box car shortage was very critical at many marketing points. There were complaints from farmers at many points that they had had few box cars, in some instances over a period of months. The same situation was brought to my attention this fall, but I must say that it concerned a relatively smaller number of points. I believe that the box car distribution this past fall was improved over the distribution of a year ago.

I might mention one example. I went into the marketing point of Drinkwater during the Christmas recess, and the elevator agents there told me that most farmers, but not all, had the week or two before marketed their 8-bushel quota, but that before all farmers had had an opportunity to market that quota, the 8-bushel quota had been raised to 12 bushels without any request by the elevator agents. I took that up with the transport controller, Mr. R. Milner, and I must say that he took very quick action, because in a short time substantial numbers of box cars were spotted at that marketing point and the farmers were thus enabled to market an increased quantity of grain. I imagine that in the main it helped those farmers who had not at that time marketed their full 8-bushel quota. So I say that there has been an improvement in the general quota distribution.

If the quota were established at the same figure and kept at an even figure throughout the prairie provinces during all the crop year there would be no purpose in my presenting this bill. The fact is that even though the initial quota is established at a given figure, the increase that takes place in the quota is not even. Because that increase is not made in an even manner, you have discrimination between farmers hauling to one point and those who haul to another. Some farmers must wait months in order to have their first quota increased, while others have a 15-bushel quota established at an early date. I feel that those farmers at a point where the quota is kept low have legitimate reason to ask the wheat board to pay farm storage. There is no reason why farmers should not be given more equitable treatment than has been given even during the present year by the established wheat board quotas.

Another matter that might be mentioned in connection with equality is the marketing of barley. I cannot speak as to the situation across all western Canada, but I do know what it was at my own marketing point. The initial quota for wheat was 5 bushels per acre, and the initial quota for barley was 4 bushels per acre. For a long time the elevator companies at that marketing point bought no barley. They told me they were under wheat board orders to fill all box cars being spotted with milling grades of wheat. Therefore the farmer who had grown a substantial acreage of barley was unable to haul any barley for a long time. As a matter of fact it is only in recent weeks that farmers have been able to haul barley to the elevators in any substantial quantities.

Even though wheat quotas had been kept absolutely the same throughout the three prairie provinces, if the barley quota were too low then those men who concentrate on the production of barley would be in a position of inequality as compared to the producer of wheat. That is another reason why the Minister of Trade and Commerce (Mr. Howe) should consider allowing this bill to pass so that farm storage payments shall be made.

Before leaving this particular aspect may I say there is another reason why I feel farm storage payments would be of advantage. As hon. members from western Canada know, the marketing situation at the present time has in it very little of the basic elements of the free enterprise system which so many members in this house support. It has not in it the basic element of competition because in most instances the farmer is not free to haul his grain to the elevator of his own choice; he is forced through economic circumstances to haul grain to the elevator which has space available. So you find that farmers who would like to haul only to the line company elevator, shall we say, feel that they must of necessity haul part of their crop

to the pool elevator system when there is room in the local pool elevator. A very large number of farmers in the past, when there was space in all elevators, were pool men 100 per cent but during the past few years they have distributed their grain amongst the various elevator companies operating at that point on the basis of the storage that was available, and because they required to sell their grain.

If we paid farm storage that would not remedy that situation, but I do believe that it would be of some help to farmers who prefer one type of elevator system more than the other. It would be some compensation and some inducement for them to store their grain and finally haul it out to the elevator of their choice. Certainly we have not the basic elements of the free enterprise system in so far as the farmer selling his grain is concerned. He just goes down, talks to the elevator man and says: "Have you got room for a load of grain?" The first one who says yes usually gets the load of grain within an hour or two. I feel that, in order to better enable farmers to haul their grain to the elevator of their own choice, a farm storage payment should be provided.

We already have, of course, payment of storage now; but that payment is made by the wheat board to the elevator companies, and there is no complaint about that. It is a legitimate charge on the cost of handling grain and the elevator companies are paid what seems to me a reasonable storage rate. Even with an increase in the country elevator storage facilities, as there has been over the last few years, nevertheless for a given period of time most farmers must store on their own farms almost all their grain. So a farmer has to provide his own storage, and then the elevator companies provide storage at the elevator marketing point. In any year, except perhaps when there is a bumper crop, the farmers will have sufficient storage on their own farms to store their own grain, and the elevator companies have a certain amount of storage at the elevator marketing points. So farmers are forced now to provide their own storage facilities and the wheat board of course pays them no storage.

The elevator companies are in a preferred position in that respect. They are paid by the Canadian wheat board a storage rate for all grain they have on hand. I see by the Canadian wheat board report for the crop year ending July 31, 1952, that the carrying charges on wheat stored in country elevators amounted to some $15,300,000. So storage is being paid now by the wheat board, and the purpose of this bill is to extend that payment of storage so that farmers may be placed in the same category.

The Minister of Trade and Commerce (Mr. Howe), speaking in this debate last year, at page 1711 of *Hansard* had this to say:

> A point has been made of the fact that the farmer pays storage to the elevators. He pays only that storage which is incidental to getting his wheat, oats or barley to market in the shortest possible time. The grain is not purposely held in the country elevators.

I think the farmer today is paying something more than for sufficient storage at country elevator points to get the grain into box cars and moved to the lakehead as quickly as possible.

I cannot remember a time at our local marketing point, that is in the last two or three years, when the elevators did not have substantial quantities of grain on hand and when there was not grain available for loading into box cars. I notice that from 1949 to 1952 there has been a substantial increase in the licensed storage capacity of country elevators. In 1949 the storage capacity of country elevators was 262½ million bushels. That has been increased until in 1952 there was storage for approximately 305 million bushels. There has been in that three-year period an increase in the country elevator storage capacity of 42½ million bushels. Of course farmers are paying the storage on the grain that is stored in that additional storage space; and if that additional 42½ million bushels of storage space were filled with grain it would cost the prairie producers $425,000 a month.

My point is that if the 262½ million bushels of space available in 1949 was sufficient storage space at country elevator points for farmers to market their grain and allow the grain to be moved to the lakehead at a rapid rate, then this increase of 42½ million bushels of storage space is merely gravy for the elevator companies and is not necessary, and is adding very little in the way of improving the farmers' marketing facilities.

I believe the western producers would overwhelmingly support this legislation. I have gone over the records of the three prairie farm unions and last year I placed certain resolutions on *Hansard*. I see I have not time enough to do so this year; but the Alberta farmers' union, the Saskatchewan farmers' union and the Manitoba farmers' union in convention, by way of resolutions and in presentations to the Canadian wheat board and other departments of the federal government, have advocated payment of farm storage. I must admit that in the correspondence I have had with the farmers' own

elevator companies I have found their position in regard to this legislation was, I believe, fairly described last year when I said that they were more or less neutral. I took it from their correspondence that they were not advocating this legislation, but they were also not opposing it.

The Minister of Trade and Commerce in discussing this question last year seemed to have two main points in opposing it. For example, he said at page 1709 of *Hansard* that it would constitute an impediment in the marketing of grain:

> I am sure the hon. member will agree with me that no impediment should be put in the way of getting saleable wheat delivered to the wheat board and delivered by the board to ocean ships as rapidly as the market will absorb it.

He said on the next page:

> Surely no inducement should be held out to any producer which would induce him to avoid delivering his grain when that grain is needed by the wheat board.

And on the next page:

> I think that the first test that I would apply is this. Is it a good thing for all the farmers of western Canada that certain people should hold back their grain when it is possible to deliver it to the elevators? I say that farm storage does not produce a beneficial result.

Well, I do not think the passage of this bill would induce farmers to hold back their grain to the point where the wheat board would be short of grain and could not get grain to the lakehead. As I said earlier I think our experience in the last three years has been that on almost every occasion when elevators are full of grain, the thing that has held up the delivery of grain has not been the lack of grain but lack of box cars and transportation facilities. I suggest, therefore, that the passage of this legislation would not be an inducement that would result in a large number of farmers keeping vast quantities of grain on the farm, to the point where the board would not have grain available to meet its commitments.

I will admit that there are some farmers who, perhaps, would be encouraged—the minister said some farmers with large farms —to hold their grain. What is the percentage of large farms in western Canada? You might define a large operator as a farmer with more than five quarter-sections of land. From the census I find that in Saskatchewan, out of 112,000 farmers there are less than 8 per cent in that category. According to the income tax statistics in 1950, less than 10 per cent of the farmers in Saskatchewan paid income tax. They pay income tax when they earn more than $2,000, if married and without dependents. The income tax department is very efficient out there and collects income tax when it is owing. Only 10 per cent of the farmers earned sufficient net income in 1950 to be taxable. I suggest that unless a farmer were in that 10 per cent group, he certainly would not be inclined to hold large quantities of grain on his farm. Unless he is earning more than $2,000 a year, the chances are that he has a lot of obligations to meet and would require to market his grain as rapidly as possible.

The provisions of this bill would permit the wheat board to end the payment of farm storage whenever it saw fit. I would be very much in favour of the wheat board saying, for instance in a year like this, when the total quantity of grain the wheat board could receive is 18 bushels per seeded acre, let us say, that once farmers in western Canada have had the opportunity of marketing 18 bushels per acre, then at that time the payment of farm storage should be discontinued. Until such a point has been reached I feel that, on the basis of equality, farm storage payments should be made.

In dealing with this matter last year the minister made the point that there was already equity in the quota system. He said that if there were real inequity, perhaps legislation like this might be adopted. He said this, as recorded at page 1711 of *Hansard* for April 29, 1952:

> As to equal opportunity to market grain, I say that opportunity is protected by the quota system. The quota system applies equally everywhere.

Even though the situation has improved this year, the quota system certainly does not apply equitably everywhere. For instance, in reply to a question by the hon. member for Lake Centre (Mr. Diefenbaker) on November 24, the minister had this to say as recorded at page 17 of *Hansard:*

> The Canadian wheat board started out the crop year with a delivery quota for new crop wheat of 5 bushels per acre, and announced that this quota would be increased as circumstances permitted. Today there are only 264 delivery points still on the 5 bushel quota; 913 points are on an 8 bushel quota; 377 on a 10 bushel quota; 178 on a 12 bushel quota; and 349 on a 15 bushel quota.

So there is inequality demonstrated there While 349 delivery points are on a 15 bushel quota, 264 delivery points are on a 5 bushel quota.

A little later on in his statement the minister said:

> After December 1, however, the board and the railways will be able to concentrate on the points which have the lowest delivery quotas and a policy of "equalization" will be followed.

That is a good objective. If the minister would agree with the principle of this bill, then I would say we would be achieving

equality in an economic sense, and that could also be brought about if the quotas were the same at all marketing points at all times.

In reply to a question of mine on January 30, the parliamentary assistant to the minister gave us some additional information as to the quotas prevailing at that time. He said that the delivery quotas in the province of Manitoba have been at 15 bushels per seeded acre for all grains since December 9, 1952. As of January 30, the delivery quotas for all grains at all stations in Alberta were raised to 15 bushels per seeded acre. Thus Manitoba had an over-all quota of 15 bushels on December 9, but Alberta producers had to wait until January 30 in order to get equality under the quota system. As of that particular date, January 30, Saskatchewan still had some 929 elevator points out of a total of 1,109 below the 15-bushel quota. I say, Mr. Speaker, that this legislation is desirable in order to provide a greater measure of equality as amongst producers in regard to the marketing of their grain.

If the wheat board found it possible to keep the same quotas prevailing at all prairie points at all times, then I would say such legislation as this would be unnecessary. But as long as certain areas must wait for months after other areas have had their quotas increased, then I feel that on the basis of equality such legislation should be passed.

I am not at all afraid, particularly under a condition of large surpluses of grain such as we have now on our farms in the west, that the payment of the regular storage rate would result in vast quantities of grain being kept on the farms to the point that the wheat board would be short of grain to fulfil its commitments. I just do not think that would be so. I believe the payment of farm storage would make little difference in the quantity of grain that was made available to the wheat board at any time. If the wheat board in the early part of the crop year must get grain from the short-haul areas, then the wheat board should make provision for those farmers who must wait weeks or months in order to have the same opportunity. Some compensation, in the form of storage payments, should be paid in order that in the final analysis all producers of grain in Canada may be placed on a more equitable basis.

Mr. Victor Quelch (Acadia): First of all, Mr. Speaker, I want to say that I will sum up our stand in a few words. We believe that in the past the wheat board has done a good job. We believe in the continuation of the wheat board as the sole marketing agency. We do not want to do anything that will increase the administrative costs of the wheat board, unless it can be shown that the benefits accruing to the farmer will be commensurate with the increase in cost.

On the face of it, this proposition sounds very good. The proposition, as many farmers see it, is that instead of paying storage only to the elevators we shall be paying storage to the farmers as well, and that there will not be any additional charges against the price of the wheat provided that the amount paid to the elevators is reduced by the amount that is paid to the farmers. Unfortunately it will not work out that way. The reason is that in the past it has always been the custom for many farmers to hold their wheat. They have not received storage payments for holding it. If this bill becomes effective, therefore, in the future those farmers will receive storage payments and that will reduce the price of the wheat to the rest of the farmers who are not getting storage payments.

The reason farmers have made it a practice in the past to hold wheat is, I think, obvious. In the days before the wheat board the farmers used to hold their wheat in order to try to get a better price. It was not necessarily the larger farmer who adopted that practice. I would say it was the farmer who was stronger financially and in a position to hold it for that reason. He was not necessarily a large farmer, but one with good land. Large farmers are not always the best off financially, although from the point of view of economics one might think they should be. However, that is not always the case.

Today there is no benefit to a farmer in holding wheat so far as the price is concerned, because he gets the price paid by the wheat board; that is, he gets the average price for the year. On the other hand there is a benefit in holding wheat in so far as the grade is concerned. In the some forty years that I have been farming, it has always been my experience that if you hold your wheat until spring you will get a better grade. The reason is obvious. It is that, as a rule, there is less competition in the spring than there is in the fall; that is, there are fewer farmers selling wheat in the spring than there are in the fall. The elevators are more anxious to get wheat; therefore they will give a better grade and often less dockage. I have found that by holding wheat I could generally gain a grade.

Then again there is, of course, the question of income tax. It has become quite an established practice in recent years for farmers to try to carry over as much wheat

as possible from one year to another in order to get the proceeds in the next year's income tax period, in the hope no doubt that the income tax would be reduced.

An hon. Member: But they get fooled.

Mr. Quelch: Unfortunately I think they have been fooled about that on many occasions. But they have always been very hopeful. Farmers are always optimistic. They hope that by diverting most of the delivery of wheat into another year, they will have a lower income tax to pay.

Mr. Knowles: All eyes are on Thursday night.

Mr. Quelch: I do not think anybody would challenge the statement that it has been the practice of many farmers to hold their wheat; and they have done it without receiving any storage. The small farmer or the weaker farmer—instead of using the words "the small farmer" let me say "the weaker farmer financially"—cannot afford to hold his wheat. He must sell it just as fast as he can in order to meet his expenses. Therefore all storage payments would come out of the price of wheat. The small farmer would get less for his wheat whilst the large farmer or the strong farmer financially who holds his wheat and gets storage would get more. Personally I am not prepared to support a measure which appears to benefit the financially strong farmer at the expense of the weaker farmer.

Then again, you are bound to increase the administrative costs of the wheat board. In so far as the weaker farmer is concerned, he will get a lower price for his wheat. The hon. member for Assiniboia (Mr. Argue) pointed out that farm organizations have supported the idea of farm storage. May I say that unfortunately there are many times when farm organizations have been under a delusion and have supported a thing which was not really beneficial to them. It is extremely interesting to note the attitude of the chairman of the wheat board on this question. He addressed the farmers' union of Alberta convention at Edmonton in December and this is what he had to say with regard to the proposal to pay farm storage, as reported in the *Western Producer* of December 18, 1952:

> Payment of farm storage of grain is "in many ways a snare and a delusion," George McIvor, Winnipeg, chief commissioner of the Canadian wheat board told the delegates. In reply to a question, Mr. McIvor made it clear that he was not in a position to speak concerning the federal government's attitude toward farm storage payments. But in his opinion western farmers should "take a good long look" before pressing such payments. Farm storage payment sounded all right, but it had to be paid by the farmers themselves and came out of the farmers' sales price, said Mr. McIvor.
>
> "It's not pie-in-the-sky and farmers who hold wheat anyway for a variety of reasons will get the storage payments as well as the farmer who has to store grain because it cannot be accepted at the elevator."

Personally I think that was good advice on the part of the chairman of the wheat board. I think the reason farmers bought the idea of farm storage is that they think they are going to get back that amount in addition to their present price, and they appear to think that the government is going to pay the storage. They do not realize that the storage will come out of the price of the wheat, and that therefore they are not going to get any more. The only farmers who will get more are, as I say, the farmers who are financially able to hold their wheat. They will be able to get that storage at the expense of the weaker farmer. The weaker farmer will get less.

I would not call this a socialistic proposal by any means. I am rather surprised that the C.C.F. would be supporting a measure of this kind, because it certainly does not help the weaker farmer.

Mr. Argue: You are talking for the elevator companies.

Mr. Quelch: No. It will not help the elevator companies either way. Therefore, as the proposal will have the effect of increasing the administrative costs of the board—which come out of the price of the farmers' wheat—without giving any material benefits to the farmers who are most in need of them, we are not able to support the bill.

On the other hand, if the bill was for the purpose of providing approved farm storage against which loans could be made, we would certainly give it further consideration and support it. But that is a much different thing from this bill. This bill merely provides for payment of farm storage which, as I say, has to come out of the price of the wheat. If on the other hand you had a system of approved farm storage so that loans could be made against that wheat, the smaller farmer would be in a position to hold his wheat and get the benefit of the storage.

In the past we have advocated approved farm storage. I think it is a good idea. It is an accomplished fact in the United States, where provision is made for loans which can be made against the wheat held on the farm. I have here "Overseas Report on Agricultural Developments" issued by the economics division, marketing service, United

States department of agriculture, under date of February, 1953. I find that it states as follows:

> Wheat which has been inspected and held in sealed storage on a producer's farm is eligible for a loan at the full support price level for the particular quality of the wheat and the particular location of the farm.

Therefore when people say that it would be extemely difficult to provide for a system of approved farm storage, the answer of course is that already in the United States that very thing is being done, and I do not think there is any reason why it could not be done in this country. But that is an entirely different proposal from the one that is before us at the present time. For the reasons I have given we are not prepared to support the measure.

Mr. J. A. Ross (Souris): Mr. Speaker, I desire to say a few words in support of this Bill No. 5. I am not able to follow all the arguments advanced by my good friend the hon. member for Acadia (Mr. Quelch). As I see this bill, it is simply carrying the proposal for pooling somewhat further. As was stated by the proposer of the bill, it will not cost the taxpayer any money.

An hon. Member: But it will cost the wheat growers money.

Mr. Ross (Souris): You might well carry the same line of argument that my hon. friend has just advanced into the matter of the international wheat agreement and point out how much that deal has cost the wheat producers of this country. It is just as logical an argument.

As to the international wheat agreement, I am one of those who have not asked any questions of the minister or of his parliamentary assistant with regard to the negotiations now being carried on in Washington. But I should also like to say that if the agreement is carried through—and I hope it will be—I trust that the prices there provided will be in keeping with those asked for by the organized farmers of the prairies.

As I understand it, when the international wheat agreement was brought into being the initial requirements of each importing country were based on their consumers' requirements. In a report by Reuters from Washington I notice that it has been brought out that those importing countries have been reselling this wheat which they purchased at the international price of grain. I think that action is not in keeping with the original plan of the international wheat agreement. I hope that practice will be rectified, and that if there is a new agreement there will be a proviso to the effect that that sort of thing is not permitted.

I say that because, according to the Canadian wheat board report for the 1951-52 crop year, there is on the average a difference of 48 and a fraction cents a bushel between wheat sold throughout that year under the international wheat agreement, and class II wheat. The average price, according to that wheat board report, month by month, for that year was $1.82 under the international wheat agreement as compared with $2.30 and a fraction under class II wheat. Therefore by that agreement, which is a co-operative agreement, or so we are told, to supply the needs of the people of the world, the wheat producer was taking a direct loss of over 48 cents a bushel.

Mr. Ward: What has that to do with farm storage?

Mr. Ross (Souris): I am making a comparison. I am pointing out that farm storage is a co-operative pooling effort and not costing the public anything. It is a matter of one neighbour paying the other fellow's farm storage when he cannot deliver his grain at all. You people who are so keen about this pooling business should be humane enough in your hearts to carry it that much further, because I think my hon. friend will realize that the technique of harvesting on the prairies and the delivery of grain to elevators have changed greatly over the past two years owing to the advent of the self-propelled combines and the rapid delivery of grain by truck in the fall. Therefore the rolling stock of the railways and the elevator systems are not able to take care of this grain which is so rapidly harvested in good weather. In 1952 we harvested by far the greatest crop in the history of this country, and the maximum quota anywhere in the prairie provinces was still 15 bushels to the acre. That has created a real hardship for many of the smaller producers in the country who took off their crop.

In many instances the business people of these communities, who service the communities, are carrying the grain of the farmers. As has been pointed out, our neighbours to the south have had a loan policy for their wheat. They lend 90 per cent of the parity value of grain during harvest, and they are allowed storage on top of that for the next year. If they want to take that as a settlement, O.K. If they want to sell the grain and take the increase, which in the past few years the United States government has been paying, it amounts to a great deal over the international wheat agreement.

Thus their farmers are very much better off on that basis. I am one of those people who would like to see assistance such as that worked out in this country.

Our present storage problem has worked against the efficient grain producers in this country as well. I know several communities where we will say the average wheat grades 3 and 4 northern. One farmer may have an excellent quality of wheat that grades say 2, and because of lack of storage space, if he wishes to deliver the grain and has a quota available, he must take grade 3 or 4 for that wheat despite the fact that it is grade 2 and that is a very great hardship at this time.

Many farmers have not proper storage. I think this bill should be passed in order to assist those people to provide the necessary storage in this country. We just have an hour on private bills at this time of the session, and there are still a great many more things I should like to say on the bill, but I do not want to be accused of talking the matter out. But I want to say that I am in favour of this measure in this very difficult situation that is now prevailing in the prairie provinces.

Mr. F. H. Larson (Kindersley): This matter of farm storage has a great deal of interest for me. I am not going to say that I complain very much about the idea of paying farm storage. I feel that I would be the recipient of something which as a recipient I feel would not come amiss at all. However, there are a good many difficulties involved in the payment of farm storage. I notice that part of the section reads as follows:

—for such period of storage as the board in its sole discretion shall fix for the purposes of such storage payment.

Well, in a year such as this, when there is a large amount of wheat, it would appear to me they would have to pay the storage for the entire year. You could not break it up into sections and pay storage part of the time and no storage for the rest of the time.

I should like to say that to a large extent I agree with what the hon. member for Acadia (Mr. Quelch) had to say regarding grain in position. In a year such as this we have a great deal of wheat on hand. There is a lot of grain in position. But in a year when there is not nearly as much wheat around in storage as there is this year we might run into a situation where we would not have enough grain in position, and we would lose some markets as the result.

[Mr. Ross (Souris).]

To get grain into position it is necessary to get it to the lakehead or seaboard. If farmers wanting to take advantage of farm storage held their grain, there would have to be a requisition system set up. It appears to me it would be a very difficult matter to discriminate between one farmer and another by demanding one farmer's grain and allowing the other to store his grain and benefit from the farm storage.

There is one other point that I should like to discuss for a minute, namely the small farmer who has to sell his grain in the fall to pay his bills. He has to sell his grain even though he would like to hold it. I am speaking of the years in which there is not as much grain on hand as there is now. On the other hand you have the large farmer who sells a certain amount of grain in the fall, and for considerations, possibly taxes, and so on he desires to hold his grain. He is going to be allowed to hold as much grain as he wishes, and the poor farmer who has to sell his grain to pay his bills is going to have to help pay the storage to the big farmer.

This matter is much more serious in a low crop area such as the southern part of Saskatchewan than in a higher yield area such as you find farther north. The farmer in the normally low yield area is going to find himself continually paying farm storage to the man in the higher yield area who has more grain. This is about the first time I have ever seen a measure introduced where they make the poor farmer help to pay something to the rich farmer.

I see it is six o'clock; therefore I should like to adjourn the debate.

On motion of Mr. Larson the debate was adjourned.

The Acting Speaker (Mr. Robinson): At eight o'clock the house will resume the business which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

ATOMIC ENERGY

APPOINTMENT OF COMMITTEE TO EXAMINE INTO OPERATIONS OF CONTROL BOARD

The house resumed consideration of the motion of Mr. Howe:

That a special committee be appointed to examine into the operations of the government in the field of atomic energy; that the said committee be empowered to sit during the sittings of the house and to print such papers and evidence from day to

day as may be ordered by the committee; and to report from time to time; that the said committee consist of Messrs. Bourget, Brooks, Coldwell, Gibson, Green, Kirk (Digby-Yarmouth), Low, McCusker, McIlraith, Murphy, Murray (Oxford), Pinard, Stuart (Charlotte), Winkler.

Mr. Harrison: Mr. Speaker, when the debate on this motion was interrupted at five o'clock to discuss private and public bills I was making reference to Uranium City, and had said that until recently it was a town only on paper, having been surveyed three years ago by the lands department of the provincial government. The purpose was to provide a residential area for the mines at Beaverlodge lake some four miles east.

There has been some little difficulty in establishing the town. The uranium companies in the area and the provincial government have not been able to see eye to eye as to who should pay all the costs. The provincial government has made the proposal that the uranium companies should put in the power and water systems, as well as sewage disposal works, and that the lots should then be leased. Apparently they did not believe in selling them. This has somewhat retarded the development of the town.

Some of the heads of the uranium companies to whom I talked last year were apparently under the misapprehension that I was a provincial representative, and proceeded to take me to task for this policy. One of them said he had been in the mining business all his life, that he had been in practically every province of Canada, and that Saskatchewan was the only place in which he had met a policy of this kind that would have the effect of retarding the program.

Mr. Wright: Is that not the policy of the dominion government in the national parks?

Mr. Harrison: That might be, but this gentleman took exception to it. It is the same policy that has been followed by the provincial governments in connection with veterans. They are asked to go on the land, and to have it assessed at a value to be determined ten years later. In this instance the period of time was three years, with the result that many of those people who wished to establish businesses in Uranium City were confronted with a situation whereby, if in that time they wished to purchase the property, they might have to pay for their own improvements. However, these questions will no doubt be ironed out in the course of time. In spite of this, the town is going ahead and long-term leases are being taken out. Hotels and banks are coming in.

All this is beside the point; the main fact is that had it not been for the far-sightedness of the Minister of Trade and Commerce (Mr. Howe) I do not believe we would have had any production of uranium in Saskatchewan for some time to come. We are now just on the doorstep, and it will not be long before we are in full operation. Certainly that part of the country knows that it owes a great deal to the minister.

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to congratulate the hon. member who has just taken his seat upon being so fortunate as to represent a constituency in which uranium has been discovered. The fact that it has been discovered at Beaverlodge in the constituency of Meadow Lake means a great deal to the economy of that section of Saskatchewan, just as Eldorado means so much to the economy of the northern part of this country.

I am pleased indeed that the minister has seen fit to reappoint the committee on atomic energy this year. He says it is to review the government's program. I had the honour and privilege of serving on the previous committee, and I must say that I enjoyed our meetings very much, an enjoyment which I believe was shared by the other members of the committee. Not only were our deliberations informative; they were also instructive.

It was a good committee, under the chairmanship of the hon. member for Ottawa West (Mr. McIlraith), and I know the members of the committee gained a good deal of information. I do not feel the members themselves contributed anything from a scientific standpoint; indeed, they were not expected to. We got a smattering of what was going on. It was amusing to note that we were warned by different scientists when we attended lectures and visited Chalk River that we were not to divulge any of the secrets of atomic energy. I am sure the learned doctors must have had their tongues in their cheeks when they told us that, because I am sure no one learned enough to disclose anything of a scientific nature. But we did learn something of the objectives and possibilities of atomic energy. We learned what was being done and what it was proposed to do.

Another great benefit from the setting up of that committee was that its members spoke at clubs and other gatherings throughout the country. The information which we gave out was widely disseminated. From my own experience I know the interest that was taken by people all over the country.

Speaking this afternoon the minister said that the program was dominated by the military requirements. He also emphasized the fact that Canada had not done anything as far as producing an atomic bomb was concerned, but we all know that we produced in Canada the plutonium which was used

in the United States in the production of the atomic bomb. Isotopes are a by-product in the development of plutonium about which we hear a great deal.

In thinking of atomic energy people think of it mainly in terms of war. We all know its terrible possibilities in that regard, and those possibilities for destruction are increasing every year. One of the sad features is that to date no effective defence against the atomic bomb has been discovered. It is doubtful if any effective defence can be developed. When other instruments of war have been invented there has always been something else developed to counteract them, but that is not the case with the atomic bomb.

In the United States they speak about the decentralization of population as a means of defence; but they estimated the cost of decentralizing the population of some of the large cities and breaking them down into cities of around 50,000 to 100,000, and the total was around $300 billion, so it was considered to be entirely out of the question.

However, there is another phase of decentralization which it occurs to me might be undertaken, and which I believe is being undertaken in some countries, particularly Sweden. I refer to the decentralization of industry. We never know what may happen should war break out, and it would be a good idea in this country if some of the industry now centralized in our larger cities was decentralized.

Another means of defence considered in the United States was the evacuation of cities in the event of war. That is a civil defence matter and one to which we in Canada should give great attention. Until we knew Russia had the bomb herself we felt more or less safe. Now that there is no doubt that Russia has the bomb it places her on the same footing as ourselves. When it was felt that Russia did not have the bomb the defence of western Europe was not considered to be too difficult, but now we are faced with the necessity of having large forces to combat the great Russian forces.

The great advantage which all of us see in the development of atomic energy is in its contribution to peace. I was looking over the reports of the national research council on atomic energy projects and the industrial use of isotopes, and I was amazed at the use that is being made of these isotopes in agriculture, medicine, industry and in many other ways. I shall not quote the uses referred to in this book, but I am sure anyone reading it will be surprised at the uses that have been developed.

I should like to quote what Mr. Vishinsky said at Lake Success as far back as November, 1949. I intend to quote from an editorial which appeared in the *Christian Science Monitor;* and while it intimated that Mr. Vishinsky was doing a lot of boasting, it quoted his words for what they were worth as follows:

> Right now we are utilizing atomic energy for our economic needs in our own economic interests. We are razing mountains; we are irrigating deserts; we are cutting through the jungle and the tundra; we are spreading life, happiness, prosperity, and welfare in places where the human footstep has not been seen for a thousand years.

The editorial goes on to say that that statement was a great exaggeration, but while agreeing that it might be for propaganda purposes, it continues:

> Granted that it has a propagandistic purpose, there is merit in his emphasis on the possible peaceful engineering and industrial uses of atomic power opposed to preoccupation with the atomic bomb.

That indicates what can be done in the future with this great source of energy. It is quite amazing to realize, as we were told at our lectures, that the fissioning of uranium yields only one one-thousandth of the energy available. Only that very small portion of the energy in the uranium is being used at the present time. They went on to tell us that if only 11 per cent efficiency was obtained in connection with the conversion of power through the fissioning of uranium, one hundred tons of uranium metal would supply the power requirements of the United States for one year. A householder could replace ten tons of coal with one one-fortieth of a pound of uranium metal. An automobile owner whose car used 15 miles per gallon of gasoline could run it for over four million miles on one pound of uranium. This gives us some idea of the tremendous possibilities in the development of this source of energy.

The minister told us this afternoon that it was not possible to control this energy in such a way as to displace water and coal in the production of power, but I have no doubt the time will come when that can be done.

It is not my intention to speak any further on this subject, but I do want to congratulate the minister upon having set up this committee again. I believe it will prove to be a valuable asset and I am sure that valuable information will be obtained.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I would just like to say one brief word. This committee should be set up as soon as possible and get to work.

Some hon. Members: Hear, hear.

Mr. McIvor: At the lakehead we will soon know some of the benefits of the work of the Minister of Trade and Commerce (Mr. Howe) along this line, when we shall have a cobalt

bomb. It is an outstanding benefit to Canada and a splendid tribute to the minister and the scientific experts who support him.

Mr. J. A. MacLean (Queens): Mr. Speaker, I think it is only reasonable that a fairly detailed debate should take place on a question so important as that of setting up a committee to investigate the operations of the government in the field of atomic energy.

Atomic energy, after all, and man's discovery of how to control it, is probably the greatest advancement mankind has made since discovering how to control fire. It is a most revolutionary development, much greater than any isolated discovery of any kind. It has come about as the result of a long period of scientific research by the best brains of very many countries of the world. We talk about atomic energy in our everyday conversation and, in many cases, probably without realizing exactly what we are talking about. If you will permit me, Mr. Speaker, in order to bring to our attention the present situation, I think it might be worth while to review very briefly the history of the scientific study of atomic energy and the history of the atom.

Originally, in a superficial way, man supposed that matter was a continuous thing, but as long ago as 400 B.C. Greek philosophers began to realize that the characteristics of matter could not be explained by assuming that it was a continuous thing, and an atomic theory of a primitive sort came into being. This came about as a result of very obvious observations. The early Greeks, especially a philosopher called Democritus, observed different things. He noted that when salt was put in water the salt disappeared and diffused in the water; and more strangely still, he noticed that if a bit of dye was put in water the colour diffused throughout the whole liquid. The only way that sort of thing could be explained was that the liquid and all other matter was made up not of a continuous thing but of various very small particles—and the particles of one matter dispersed among the spaces or atoms of the other one.

Later on in the Middle Ages men noticed other phenomena that lent strength to the atomic theory. One was that men noticed that when two liquids were mixed together—an equal measure of one liquid and an equal measure of another liquid—the resultant volume was not necessarily twice as great. They noticed that if a measure of water was mixed with a measure of alcohol the resulting measure was less than the two measures. That was a fairly astute observation for those medieval people to make when you consider the shortage of cocktail lounges in those days.

Anyway, as science progressed it became evident that all material could be broken down into certain elementary substances, and the theory of elements came into being. As far back as 1780 a French chemist named Lavoisier was able to identify 50 elements. It was thought that those elements were the elemental matter from which all things were composed, and that theory existed for a very great length of time.

The modern atomic theory, as we know it, came into being when John Dalton, the English chemist, propounded it about 1808. Then more elements were discovered, and they were studied in great detail. Their atomic weights were arrived at and, as a result of further study, the great Russian chemist Mendeleyev arranged elements according to their atomic weights and their characteristics, this arrangement becoming known as the atomic table, which made it possible for scientists to forecast the nature of elements which were not yet discovered and to advance the science of chemistry in many, many ways.

Following the discovery of this theory of Mendeleyev there was a great deal of very marvellous and fascinating research into the structure of the atom which took place for a great number of years, up until about the turn of the present century. This study, for this period of the nineteenth century, was conducted mostly from a chemical point of view, from a chemist's point of view, and man's knowledge of the atom and the composition of all material things was greatly advanced. In that period the theory that all matter was composed of atoms which could not be divided further was accepted. As a matter of fact the word "atom" is taken from the Greek and means something that is indivisible.

About the turn of the present century physical scientists began to make new and marvellous discoveries. Some of the most remarkable of them were made by Lord Rutherford at McGill university in Montreal. Then there was also the discovery of radioactive elements by the French chemist Becquerel, followed by the discovery of radium by the Curies. Then too from a different approach entirely, about the same time there were other remarkable advances in the field of philosophical mathematics by such men as Max Planck and Albert Einstein. Max Planck in 1905 or 1906 enunciated the quantum theory which produced a challenge for the mathematician Einstein, who tried to

work out a system which would explain the known facts which had come to light up to that time with regard to the structure of matter. As a result of this pure science wonderful advances were made, and I think it illustrates to us that what is the pure science today is an applied science tomorrow; and what seems to be a very impractical searching for useless knowledge one day will be found very useful and applicable to our everyday life within a very few years.

As a result of Einstein's theory of relativity certain advances were made in the study of the atom. I am not pretending that I understand the theory of relativity. Even if I did, there would not be too many people within the sound of my voice who would understand what I was talking about. There are advanced scientists in the world, however, to whom this theory makes sense. There are scientists who can talk about time as the fourth dimension and who can talk about energy and matter as the same thing; they can talk about space being curved and that sort of business, and it makes sense to them. The ordinary layman getting into that field of science quickly gets beyond his depth. The fact that he does is very neatly expressed in a little limerick that someone has written with regard to relativity. It reads as follows:

> There was a young lady named Bright
> Whose speed was greater than light
> She left home one day
> In a relative way
> And returned the previous night.

It is very difficult for the ordinary man to understand what this is all about. Nevertheless, this pure science does result in practical benefits after a period of time.

As a result of Einstein's work in the field of mathematics, certain things became evident. One was that it was a certainty that matter and energy were two forms of the same thing. When we talk about the production of atomic energy, the unique thing about atomic energy is that it is produced from matter itself. It is a process of transforming matter into energy. Einstein even worked out a formula. He predicted the amount of energy that could be produced by the destruction of a given amount of matter. As a result of his calculations, he forecast the terrific amount of energy that could be produced from the atomic bomb.

At the time that he propounded his theories he was laughed at by the ordinary man in the street who said, "Well, how is this going to affect me?" He little realized that within his lifetime atomic bombs would be relatively common things and would have been the means of ending the last great war and probably the means of preventing, up until this date at least, a third world war.

The scorn with which Einstein's theory of relativity was treated at one time is also illustrated by a little limerick about this great scientist and two other people, the authoress Gertrude Stein and the sculptor Epstein. The little limerick runs as follows:

> There's a marvellous family called Stein
> There's Ep, and there's Gert and there's Ein
> Gert's writings are bunk
> Ep's sculpture is junk
> And nobody understands Ein.

Although nobody understood him in those days, his scientific work made possible the present developments in the field of atomic energy. As I said before, he was even able to predict the amount of energy that could be produced in the destruction of a given amount of matter. Einstein showed that the translating constant for converting mass measured in grams into energy measured in ergs is equal to the square of the velocity of light measured in centimeters per second. This standard equation made the present advances in atomic science possible. The velocity of light is 30 billion centimeters per second, so the result is that a very great amount of energy is produced from a very small amount of matter.

Einstein took this figure of 30 billion centimeters per second, the speed of light, as a constant to arrive at the result. I suppose if he had wanted to he could have taken twice the national debt and he would have arrived at the same figure. In any event, Einstein calculated that one gram of matter is the equivalent of 200,000 kilowatt hours of energy. This is enough energy to run 200,000 one hundred watt bulbs for 10 hours. One gram of matter is the amount you could hold on the tip of your finger.

Many people seem to have the opinion that atomic energy was some sudden discovery that was made during the last war by United States scientists. As a matter of fact our present knowledge of atomic energy is something that has been built up over the years. The term "atomic energy", has been used since about 1906. Contributions to the total pool of knowledge of the atom have been made by scientists of almost every nationality. It is folly for us, therefore, to think that the western world has a secret which we can preserve. It is not the case, Mr. Speaker. During the war we were a little more advanced than the other nations so far as atomic research was concerned. Most of the things concerning atomic research are common knowledge to all the scientists of the world, and have been for many many years. It is only reasonable, therefore, to conclude that any nation that worked at it could produce an atomic bomb, and could produce atomic energy for other purposes within a period of a very few years.

In that connection I should like to quote briefly from a book entitled "Explaining the Atom" by Selig Hecht, who is a United States professor. On page 190, he says:

Can another country make an atomic bomb? Of course it can. If we can think of several ways of doing each step from uranium fission to atomic bomb, so can another group of scientists. In fact, the British were ahead of us in 1941, and they may possibly have given us a good run if Britain were not so near Germany that its plants and cities were steadily bombed and blasted. We were far away from the scene of the war and the British sent their best people to work with us. So did the Canadians. Even Niels Bohr from Denmark came here to help. Moreover, we had on our side some of the best brains in the refugees from Germany, Austria, Hungary and Italy.

That, Mr. Speaker, is the state of affairs, and it should be realized. There is no such thing as the atomic secret that can be kept for any length of time, because any secret we have is only a secret that would be arrived at independently by scientists in other parts of the world in a very short time.

So far as the first development of the atomic bomb is concerned, there is a very enlightening quotation from a lecture by Sir John Cockcroft, who is a British scientist. In this connection, he said:

In April 1940 a memorandum was sent to Sir Henry Tizard, then scientific adviser to the air ministry, by Professor Peierls and Dr. Frisch who were working in Birmingham university. They pointed out that under suitable circumstances a chain reaction in uranium might be explosive and that the effect might be equivalent to a very large quantity of ordinary explosive.

You can see from this that the idea of the atomic bomb was conceived in England. Then he goes on to say:

A similar conclusion was reached by Professor James Chadwick, and Professor Geoffrey Taylor worked out in some detail the disastrous effects such an explosive might produce. On receiving these reports the Ministry of Aircraft Production appointed a subcommittee of the committee for the scientific survey of air warfare under the chairmanship of Professor George Thomson, and I remember meeting first with four other members in April, 1940, a French officer who came to warn us that the Germans were working on this problem and were trying to obtain from Norway the world's largest stock of heavy water to investigate the possibilities of the chain reaction in uranium and heavy water.

This news brought a realization of the disasters which might befall us if the Germans were to produce an atomic bomb. We appreciated the great dangers from radioactivity which might be produced in such a bomb, and took some first steps in preparing instruments for civil defence work.

We must remember, Mr. Speaker, that this was in 1940, in the United Kingdom.

There has been a great deal of discussion as to whether scientists should have undertaken the work on the development of the atomic bomb. Looking back to the dark months of 1940 when this work was started, I do not think we had any doubts on the matter. The Germans had over-run Holland, Belgium, France, Denmark and Norway, and freedom was fast disappearing from the world. Armed first with the atom bomb, Hitler could have conquered the world. We had serious doubts as to whether the project would succeed, but no doubts about the need to go on with the work.

After the fall of France in June, 1940, the university physicists were reinforced by Dr. Halban and Dr. Kowarski, who were sent to us by Professor Joliot, bringing with them the 180 litres of heavy water which the French had succeeded in bearing away from Norway before the invasion.

There you have an exceedingly interesting reference to the type of development that went on in England at that time. Then owing to the vulnerable position of the United Kingdom it was decided to transfer atomic research to the North American continent; and we are all familiar with the story from there on.

We have been concerned chiefly with atomic energy as a military weapon up to the present time, and from that point of view it is still an extremely important thing. After all, it is a fact that our only potential enemies, the Russians, have the atomic bomb and they probably have other atomic weapons. The destruction which they can bring about is terrible to contemplate. If an atomic bomb explodes half a mile above a city, the people walking on the sidewalk evaporate into thin air owing to the extreme heat produced, just the same as little droplets of fat dropped on a red hot stove will evaporate. All buildings within nine miles of the point of detonation of a modern hydrogen bomb are destroyed. A whole city can be wiped out in the twinkling of an eye.

There are many other examples that could be given of the destructive powers of this weapon. When we think of these things we must realize the terrible responsibility that is ours in the field of civil defence and in planning our economy so that our population is not gathered in a few large cities like Montreal and Toronto in such a way that a large percentage of our people and an even larger percentage of our productive capacity could be wiped out by less than a dozen atomic bombs.

Apart from the explosive atomic bomb, other types of weapons can be used, such as radioactive dust which might be dropped over our city and which would have a slow but extremely decisive effect on the health of the inhabitants. The detrimental effect of radioactivity on living organism is a most subtle sort of thing. It is something that in many cases is not recognized for a long period of time, and it is something that is cumulative in its effect. It builds up over a period of time and at a later date the results begin to be noticed.

Then too, of course, in a military sense atomic energy can be used for powering

submarines; and probably before long it will be used to provide the power needed for aeroplanes and so forth. If that dream is realized, it will be possible for heavy bombers to fly around the world probably three or four times without refuelling, or something of that sort, so that any spot in the world will be within range of atomic-powered bombers if they are developed.

But we should not get the idea that in the field of destruction alone atomic energy is of importance. Atomic energy has great importance in other fields, as has atomic research. One of the most important is its use in science. Many radioactive isotopes of the elements can be made which can be used as tracers in the study of life, metabolism, and for many uses in science. Then there is the isotope of cobalt which is used in the cobalt bomb for the treatment of cancer; and there are other substitutes for radium in the treatment of cancer.

Then there are many applications of radioactive elements in industry as well; but perhaps the most important potential use for atomic energy is in the field of industry for the generation of power. There are many reasons to believe that atomic energy can be produced at approximately the same cost as hydroelectric power. If that is a fact, when it is developed it will have a profound effect on our economy.

For instance, in the reduction of aluminum, it will no longer be necessary to bring the raw material from South America to Canada where there is a cheap supply of electric power in order to have it reduced. Electric generating plants can be built at the source of supply and powered by atomic energy for the reduction of aluminum in South America. That is one possible example of what might happen.

Then there are a great many industries which use a vast amount of power and in which the power consumed is one of the major costs involved, where atomic energy can probably be used to advantage. Along with the reduction of aluminum, there is the chlorine and caustic soda industry, the phosphate fertilizer industry, the cement industry, the glass industry and the steel industry.

In some of these cases, of course, new methods of production would have to be evolved. In the case of the reduction of iron ore, for instance, coal is used both as a source of energy and as a chemical because iron ore is reduced by carbon monoxide and heat; therefore in that case, if you were to use atomic energy you would have to reduce iron ore by some other means, probably by hydrogen and the application of heat in the form of electric power.

Then again, if cheap electric power could be produced from atomic energy it could be used to advantage for the electrification of our railway system where traffic is heavy and the population is dense. In addition to that, it is predicted that atomic energy can be used economically for the heating of homes on a central heating basis, where one large plant is built to heat a section of a city.

The characteristics of atomic energy are such that the pattern of our economic life may be changed very considerably. And if atomic energy is used to the best advantage we can have a levelling effect, an evening up effect on the economy of the world in general and above all on the economy of any given country. For instance, in a country like Canada cheap electric power is available in the central provinces of Quebec and Ontario. It might not be feasible or advisable to try to make atomic energy compete with it, but atomic energy is easily transported, and it could be used to produce cheap electric power in the parts of this country where hydroelectric power is not available, such as the maritime provinces and the prairie provinces.

Mr. Stick: Especially Saskatchewan.

Mr. MacLean (Queens): Especially Saskatchewan. After all, the problem of transportation of fuel is almost non-existent in the case of producing energy from atomic sources, because the amount of fuel required in the form of uranium for atomic power is very small indeed. As a matter of fact, a pound of atomic fuel, even under present-day processes, is equal to 1,250 tons of coal. In other words, in the form of atomic fuel a carrier pigeon could carry almost as much energy as a freight train can carry in the form of coal. Hence the question of transportation is almost non-existent.

Of course the question arises as to whether there are sufficient supplies of the fuel for atomic energy, namely uranium. Uranium is a relatively common element. As a matter of fact, uranium is about twenty times as prevalent as silver, and is about one-twelfth as common as lead. There are very large amounts of uranium in the earth's crust, and the energy which it will provide is much greater than the energy which might be provided from the known store of all other forms of energy-producing minerals, coal, oil, natural gas and everything else put together. Therefore it is not inconceivable that a time might come when our present

sources of energy, coal, oil and natural gas will begin to become exhausted, and if for no other reason than that our economy will have to turn to atomic energy for its support.

When atomic energy is brought into everyday use in this country I hope the benefits which it can bring will be realized. I hope it will be used as a source of cheap power in the areas of this country which need it most. It may be said that a remark of that kind is premature, but it should be realized that with the rapid advances in the scientific field today, atomic energy for ordinary uses may be brought into existence within a very few years.

That being so, Mr. Speaker, I am very pleased indeed to see that this committee to study and examine the operations of the government in the field of atomic energy is being set up. I think it is very necessary, and I believe that it is faced with a greater responsibility than possibly any other committee that ever has or ever will be created in this House of Commons.

Motion agreed to.

FARM IMPROVEMENT LOANS ACT

PROVISION TO EXTEND OPERATION FOR A FURTHER PERIOD, ETC.

Hon. J. J. McCann (for the Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Farm Improvement Loans Act, 1944, to extend its operation for a further period by closing out on March 31, 1953, in lieu of February 28, 1954, the present three year pool of loans guaranteed by the government under the act and by providing for a new three year pool commencing April 1, 1953, and ending March 31, 1956; to provide further that the maximum amount of bank loans made in the new period and guaranteed under the act shall be three hundred million dollars.

Mr. Speaker: It was suggested that when a motion similar to this was called I should hear representations from hon. members with respect to standing order No. 60. I might say that the Leader of the Opposition (Mr. Drew) informed me that he could not be in the house this evening after nine o'clock, and it is nine o'clock now. I should like to have his views on the standing order. Also I have recently understood that the hon. member for Winnipeg North Centre (Mr. Knowles) will be away for the next few days.

Some hon. Members: Hear, hear.

Mr. Speaker: I am sure hon. members will regret it when they realize that the reason is that there is sickness in his family. Probably someone else in the C.C.F. party could express the views of that party or would the hon. member for Winnipeg North Centre express his views this evening and members of other parties at a later time?

Mr. Knowles: Mr. Speaker—

Mr. Speaker: The hon. member is not speaking to the resolution.

Mr. Knowles: No; I am speaking to the point of order which Your Honour has suggested might be dealt with on this occasion. The point of order arose in connection with another debate, namely one on the resolution preceding the emergency powers bill; and I believe it is understood that whatever ruling is made now, that debate, when resumed, will be permitted to go on its weary way.

This question as to whether or not there should be a debate, and if so to what extent, on the motion for the Speaker to leave the chair and for the house to resolve itself into committee of the whole on the resolution preceding a money bill, is one that has been before us a number of times in 1952 and 1953. I think it is only fair to say, however, that there was practically no discussion on the point, none that I can dig up at any rate, between 1942 and 1952.

Furthermore, if one reads the debate on the point of order which took place in 1942 he will find that Mr. Hanson, who was then leader of the opposition, said that to his knowledge it had not been raised for twenty years prior to that time. However, despite the fact that the number of occasions this matter has been before us is very few, it has become a quite important issue.

Let me say at the outset that I do not think it is necessary for me, or for any others who take part in the debate, to cover again the ground we have covered in previous debates on the point of order. I can imagine some hon. members in the house saying, "Why do you not apply that rule on other occasions?". There is a difference, and it is that in debates on issues of substance we do hope that we can make some impression upon the minds of other hon. members in the house, and perhaps some impression upon those outside the house who follow the debates.

But in this particular instance, if I may so put it, in a sense we are in court, and it is Your Honour who must make the decision. I think therefore it would be wrong for us to try to cover ground we have covered before, because we know Your Honour has heard our previous representations. In addition, I have no doubt you have reread those debates, and are well aware of all the points we have made.

If I may, then, just by way of summary of the previous arguments I have made, make

a brief statement, I would then go on to new material I should like to add. May I say it seems to me quite clear from standing order 60 and from standing order 38 that a motion for Your Honour to leave the chair at this stage of debate is debatable. This is clear not only from standing order 60 and standing order 38, but also clear from Your Honour's own ruling in June of 1952, and from Mr. Speaker Glen's ruling in 1942. Both Mr. Speaker Glen on that occasion, and yourself, when you have dealt with this matter, have said—and there is no question about it—that the motion is debatable. The question you had to face was this: To what extent is the motion debatable?

In 1942 Mr. Speaker Glen made a ruling that the debate should be directed to the negative of the question. I shall have something to say about that in a moment; but may I jump ahead ten years in the story by saying that Your Honour made the same ruling in 1952. However, you admitted a few days ago that you had found it difficult if not impossible to enforce that ruling. From what Your Honour said a few days ago I gathered you felt there would have to be a new ruling on this question.

Following what Your Honour has said, it seems to me the point to which we must address ourselves is not the question as to whether the motion is debatable, but rather we have to address ourselves to the question of the extent to which it is debatable.

Mr. Speaker: Order. That is what I said in 1952. I am not so sure now that I was right at that time. I still have to be convinced that I was right at that time. In other words, I am doubtful whether the motion on the second day is debatable.

Mr. Knowles: Well, in the light of those remarks it becomes necessary for me to traverse again some of the ground I thought we had covered. Surely from standing order 60 it is clear that the motion is debatable, if one reads the relevant part, which says:

—and then it shall be referred to a committee of the whole house—

I have picked that out, because that is the point we have reached now—the proposal to refer the motion to the whole house. That act of referring the motion to the committee must be construed with standing order 38 which says that every motion standing on the order of proceedings for the day, except government notices of motions for the house to go into committee at a later date, is debatable.

That exception, of course, refers to the day a minister stands up and announces the Governor General's approval of a motion placed before the house. That is the only item standing on the orders of the day which is not debatable, according to standing order 38. This motion is not that one that is excluded from the right of debate; therefore I submit that it is included among motions which are debatable.

Mr. Speaker: Does the hon. member suggest that if a purely procedural motion stood on the orders of the day it would be debatable?

Mr. Knowles: I would suggest that any procedural motion, if it is the kind of motion that calls for the usual 48 hours' notice and therefore has to appear on the order paper under notices of motions or under government orders, would have to be regarded as debatable. I do not think we can draw that kind of line and use the word "procedural" to exclude from debate any motion that is really a motion of substance.

I was also going to remind Your Honour of what appears at page 164 of Beauchesne's third edition, where Dr. Beauchesne has set out in specific detail the procedure to be followed on money bills. This information comes under citation 435, and it tells in detail how such matters are dealt with. He gives the first day's proceedings, and then the second day's proceedings in connection with legislation of this nature, and he says under item 6:

6. Minister moves that Speaker leave the chair for house to go into committee of the whole on the resolution.

And then No. 7:

Speaker puts question on motion. Debate allowed.

That is surely a very clear statement by the author of the latest book under which we operate in the house. It does seem to me that the authorities make it clear that the motion itself is debatable.

The question is raised sometimes as to whether it is a motion dealing with the substance of the resolution behind the motion that Mr. Speaker leave the chair, or whether it is just a motion for that one event to take place, namely for Mr. Speaker to get out of the chair he is in, and sit somewhere else.

I submit that we have a number of types of debate that take place during the course of a session which are in a sense in the same category, in that we do not direct the debate simply to the technical language of the motion itself. For instance, the session begins with

what is known as the debate on the address in reply to the speech from the throne. The motion put to the house on that occasion is that a message of thanks be sent to His Excellency the Governor General. Once that motion is read I do not suppose any hon. member ever debates whether or not a message of thanks should be sent to His Excellency the Governor General. We recognize in that debate a vehicle for discussion of what is in the address and also for discussion of what is not in the address that hon. members think should be there.

Mr. MacInnis: It is the custom.

Mr. Knowles: As the hon. member for Vancouver East (Mr. MacInnis) points out, that is our custom and our practice in that regard. Similarly I would point out that there are occasions, not very often I admit, when we have a motion to adjourn the house under standing order 31. But no one stands up and argues that the house should or should not be adjourned. A debate takes place on the substance of the proposal behind the idea of adjourning the house, a matter of urgent public importance.

Similarly, when we debate the motion to go into supply and hon. members raise grievances or move amendments, or even if they do not move amendments—

Mr. Speaker: The motion to go into supply is that Mr. Speaker do now leave the chair for the house to resolve itself into committee, but on that motion it is not permitted to discuss anything which it is proposed to consider in committee. The custom in connection with so-called money resolutions is that we discuss with the Speaker in the chair what the house has decided to discuss in committee.

Mr. Knowles: The point as to what we discuss on the motion to go into supply constitutes another point of order that I would rather not argue at this moment.

Mr. Speaker: I think the hon. member follows me to the extent that on the motion to go into supply an hon. member is not permitted to discuss what the house proposes to discuss in committee of supply.

Mr. Knowles: I will accept that for the purposes of this debate at any rate, but I would point out to you that what hon. members are permitted to discuss on that occasion is not just the question as to whether or not Mr. Speaker should leave the chair. They are permitted to discuss any grievances which Your Honour allows as in order which they care to raise on that occasion.

Similarly I would point out that on Thursday night of this week the Minister of Finance (Mr. Abbott) will make what is known as the budget speech. Then other hon. members will follow. What will they speak to? They will speak to the motion that Mr. Speaker do leave the chair for the house to resolve itself into committee of ways and means. Hon. members will not be required to confine themselves to the question as to whether or not the Speaker should get out of the chair; they will be permitted to discuss the whole matter of government fiscal policy, indeed they will be permitted to discuss almost anything under the terms of that debate.

The point I am making is simply that it is hardly correct to say that because the motion before the house is that Mr. Speaker leave the chair for the house to go into committee of the whole we must direct ourselves just to that specific language. As I say, we have these other debates which through custom, if for no other reason, have become vehicles for recognized debates. I accept Your Honour's suggestion that there are certain limitations, but certainly they go far beyond the question of just whether or not Mr. Speaker should get out of the chair.

I want to come now to the problem which it seems to me was created by Mr. Speaker Glen's ruling in 1942. I should like to say a word about the circumstances that led up to that ruling, and then I want to ask the house to consider very carefully just how the house of that day considered Mr. Speaker Glen's ruling. I shall give what I think is most conclusive evidence as to what was the view of the house of that day with respect to that ruling.

The ruling was given on February 23, 1942. The house was then discussing a very contentious issue, namely the proposal for a plebiscite on the question of conscription. Mr. McLarty had moved the motion, Mr. Hanson, then leader of the opposition, Mr. Walter Tucker, the hon. member for Bow River (Mr. Johnston), the hon. member for York South (Mr. Noseworthy) and others had spoken. They did not speak in that order, because the speaker whose action produced the issue was the hon. member for Bow River, who moved an amendment to the motion.

At that point the then prime minister, Mr. King, raised two points of order. One was

as to whether or not an amendment of any kind to that motion was in order, because after all it was a motion the terms of which had been agreed to by His Excellency the Governor General, and the other point of order was as to whether any debate was allowed at that point. The then prime minister did not attempt to restrict the extent of the debate, he simply argued that there should be no debate at all despite the fact that it had gone on for some considerable time.

Discussion followed in which Mr. Hanson, the hon. member for Vancouver East (Mr. MacInnis) and one or two others took place. As a result of that discussion Mr. Speaker Glen considered the matter during the recess between six and eight o'clock, and then gave his ruling after coming back at eight o'clock.

It seems to me that that incident is far enough back in history for us to be able to say with great respect that it was a considerable problem with which Mr. Speaker Glen was faced on that occasion. Here was a most contentious issue, and feeling in the house was quite high over this question. The then prime minister had raised those two points of order and presented the Speaker of that day with a real problem.

Mr. Speaker Glen was able to agree without question with the prime minister on the point that the motion was not amendable. I am inclined to agree with that aspect of the ruling that was made on that occasion. But on the other point, Mr. Speaker Glen brought forth a compromise. Let us be fair with ourselves. It is now eleven years later, and surely we can look back at this in the perspective of history, and realize that it was a compromise.

Mr. King had argued that there should be no debate. Mr. Speaker Glen had said, "I cannot go that far; I have to rule that the motion is debatable." He quoted standing order 60 and he quoted standing order 38. He pointed out that if there was any doubt, if there was any conflict between them, standing order 38 was passed in its present form after standing order 60 and would govern. So he ruled that the motion was debatable.

Mr. Speaker: He went further than that; he ruled that the resolution was debatable.

Mr. Knowles: He ruled that the motion for Mr. Speaker to leave the chair was debatable.

Mr. Speaker: I think his ruling was that the resolution itself was debatable. I am not sure that I am in accord with that part of the ruling.

[Mr. Knowles.]

Mr. Knowles: Mr. Speaker Glen, according to page 800 of *Hansard* of February 23, 1942, after quoting standing order 60 and standing order 38 said:

> The resolution is on the order of proceedings for the day. I would point out that standing order 60 was passed in 1867, while standing order 38 was passed on March 22, 1927. In other words, standing order 38 is remedial to standing order 60, and I must conclude that standing order 38 must rule, and decide that the resolution before the house is debatable.

What was before the house? The house was not in committee. What was before the house was the motion that Mr. Speaker leave the chair for the house to resolve itself into committee of the whole on the resolution that was on the order paper. I submit that as one-half of his compromise he ruled that the motion for Mr. Speaker to leave the chair was debatable.

Mr. Speaker: I do not think the hon. member should call it a compromise.

Mr. Knowles: The reason I suggested it was a compromise is that having said it was debatable, he added a limitation that in his view the debate should be directed to the negative of the question.

Mr. Speaker: If the hon. member thinks the ruling was a compromise, I do not think we should feel required to follow it too closely.

Mr. Knowles: Well, I agree, Mr. Speaker; and I suggest that we are making headway. The point I now wish to draw to your attention—and this is not going to be as long as it might sound from the detailed way in which I am going into it—is what happened in the House of Commons in 1942 following that ruling made by Mr. Speaker Glen.

The ruling was made on February 23, 1942. As a matter of fact immediately afterward, just over on the next page, there was another resolution for the Speaker to leave the chair on another proposition of the same kind and no questions were asked. It passed and the Speaker left the chair without a word of debate. During the next few days there were a couple more such motions on the order paper which were disposed of in the same way. The Speaker left the chair without any debate, no one questioning it from either side.

However, I would ask hon. members to turn now to the 18th March, 1942. If you look there, about three weeks later, and only 17 sitting days later, and look at pages 1416 and 1417, you will find that the then minister of finance, Mr. Ilsley, moved a rather lengthy

resolution. Let me read it or at least let me read the parts of it that are by way of preamble. It appears on page 1416 of *Hansard* of March 18, 1942:

> Hon. J. L. Ilsley (Minister of Finance) moved that the house go into committee to consider the following resolution:
> Resolved, that it is expedient to introduce a measure to provide:

Then there are four paragraphs. The Speaker was in the chair and Mr. Ilsley, the minister of finance in Mr. Mackenzie King's government, stood up and said:

> Mr. Speaker, I propose to make a statement to the house on this resolution while Your Honour is in the chair.

Seventeen days after Mr. Speaker Glen had ruled that the debate on that occasion should be directed to the negative—and you can bet your boots that Mr. Ilsley did not speak to the negative of his resolution—he spoke to the affirmative with great vigour and at considerable length.

Mr. Speaker: Probably Mr. Speaker Glen had as much difficulty in enforcing his rulings as I have had in trying to enforce mine.

Mr. Knowles: Mr. Speaker, that is exactly the point, and I submit that Mr. Speaker Glen never again tried to enforce his ruling. This particular debate—and I have checked it, Mr. Speaker—was carried on over three days. It took 78 pages of *Hansard* to record the debate that took place with the Speaker in the chair on Mr. Ilsley's resolution of March 18, 1942, and that must have been eight or ten hours of debate.

Mr. Speaker: Hon. members must at least agree that I have faced the issue sooner than Mr. Speaker Glen did.

Mr. Knowles: I would go further, Mr. Speaker, and say that you have not only faced the issue but you have probably indicated the difficulty of carrying out the ruling Mr. Speaker Glen gave and, as a result of taking that stand, we are trying to help you to arrive at a better ruling than the one Mr. Speaker Glen made.

Without giving all the history, may I say that I have taken the trouble to go through *Hansard* from that date down to the present time and, if there were time, I could give in every year examples of major debates of this kind that took place with the Speaker in the chair.

Mr. Speaker: I hardly think that is necessary for my purposes. I have gone through *Hansard* also, and that will not help me greatly in coming to a conclusion.

Mr. Knowles: I am sure you have gone through *Hansard*, Mr. Speaker, and I readily agree it is not necessary. I am sure the house can take our word for it that the debates are there in every year from 1942—17 days after the ruling was made—right through to as late as the fall session of 1951 when the present Minister of National Health and Welfare (Mr. Martin) was moving that very important piece of legislation, the Old Age Security Act. Without any question he made an eight-page speech with the Speaker in the chair, and his speech was followed by a four-page speech by the Minister of Finance (Mr. Abbott), and followed by forty-minute speeches by a number of us who were keenly interested in that question. No question was raised as to the propriety of the debate at that stage.

So I submit there was a period of ten years from the time Mr. Speaker Glen made the ruling until we got to the National Library Act last year, when this question was raised. True, there were many occasions when ministers indicated their preference for dealing with the matter in committee of the whole rather than with the Speaker in the chair. Sometimes they won their point, sometimes they did not. But, as a point of order, it was not raised until the Prime Minister (Mr. St. Laurent) raised it on the library bill in the session of 1952. It was not settled conclusively at that point, but on June 4, I believe, the issue came up on another measure and was resumed on June 16; and that was the occasion when Your Honour made the ruling along the lines made by Mr. Speaker Glen in 1942.

If I may say so, I for one deeply appreciate the position you have since taken as a result of the debate a week or so ago on the emergency powers bill, and I think the ruling is difficult to enforce even by one like Your Honour who has faced up to it as you have. I submit that the idea of a debate that is directed to the negative should be forgotten. I think it is an interesting ruling that is back there in the books in 1942, but I think we should not regard it in terms of *stare decisis*—if that is the right use of that Latin phrase—but we should improve on it at this stage. I think we should decide, on the basis of standing order 60 and standing order 38, and of the practice across the years, that the motion is debatable.

I think, too, that we should recognize, with these other motions that seem just to resolve that the Speaker leave the chair, that what is really before us is the question of why the

Speaker should leave the chair. Your Honour said the other day, even when you tried to limit debate to the negative, that you had to permit members who were opposed to the motion to state why they were opposed to it; and when they went so far as to deal with the terms of a resolution to the substance of which they were opposed, you had to allow it because that had to be recognized as a reason for opposition to Your Honour leaving the chair.

I think we are reaching a point where if you are going to have debate it should be allowed pro and con, and I would say similarly that those speaking for Your Honour to leave the chair should be able to speak to the merits and the good points for our going into committee of the whole. In other words, it seems to me that the real difficulty in practice, and the great difficulty we have had because Your Honour has had to enforce Mr. Speaker Glen's ruling of 1942, makes it clear that we should now decide upon a different course.

I would like to say something now, Mr. Speaker, that seems to me not so much procedural as being in terms of practice. I am sure, speaking as a member on the opposition side of the house, that we do not want to have a debate with the Speaker in the chair on every one of those resolutions preceding money bills which come along.

Some hon. Members: Hear, hear.

Mr. Knowles: I hear some of my Tory friends applaud that sentiment. Many of those resolutions are not of such consequence as to require a lengthy debate at that stage. If I may say so, quite frankly I think the reason we have asked for it perhaps more often than we really wanted it has been because of resistance from the other side of the house to have debate at that stage. I would hope that out of this discussion which Your Honour has been good enough to invite we might not only reach a decision in terms of procedure, a decision as to the debate that is allowed, but we might also reach some better understanding between the two sides of the house.

I think we on the opposition side are prepared to be parties to such an understanding. To let it be clear I am saying here in the open that we do not want to debate every one of these motions with the Speaker in the chair. There are many of them in connection with which it is more satisfactory to go straight into committee. The government can know that and quote it back at us. There are, however, occasions such as the emergency powers resolution, and the resolution concerning housing which is coming up soon, when the matter is of such importance that we feel we should not be asked to surrender a right that has obtained in this House of Commons across the years.

As everyone knows, there is a lot more one could say, but there is really no need to multiply words or repeat arguments. I simply press the point that the circumstances that led to the ruling in 1942 should be understood, and I won't be impolite if I say we should recognize that 17 days later that same House of Commons which had heard the ruling chucked it out the window. On that occasion the chief chucker-outer was none other than Mr. Ilsley, and the house readily joined in his suggestion that there should be that 78-page debate on that occasion with the Speaker in the chair.

I may point out again that during those years when these debates took place, two or three each year, there were many resolutions on which there was no debate with the Speaker in the chair. I think we should return to that sort of understanding, that sort of *modus operandi*, under which it is clear that we have the right to debate the motions that are important. That is what we ask from the government side and that is what we ask from the Chair. I think the Chair and the government side have the right to expect from us, if that is the case, that we will not exercise that right on every occasion. I thank you, sir, and I thank the house for listening to this argument at length. I certainly hope our point will be given consideration.

Mr. Fulton: Does Your Honour wish to have further discussion on this point now or is it your intention to adjourn this discussion until a later date?

Mr. Speaker: I am in the hands of the house. If the house would like to have further discussion at this time or at a later time, that can be done. I am doubtful if the debate could be concluded tonight, but we could hear the views of the hon. member for Kamloops (Mr. Fulton) if the house is agreeable.

Mr. Fulton: I am not at all anxious to do that. If, rather than break up the debate into two or three parts, it would be more convenient for the government to leave it until the whole matter can be concluded, that would suit me.

Mr. St. Laurent: It is not a matter for the convenience of the government, it is for the

convenience of the Leader of the Opposition (Mr. Drew) who is not here this evening. I am quite prepared to reserve what I have to say until it will be possible to conclude the debate on the point.

Mr. Fulton: My only point in referring to the convenience of the government was to ascertain whether they would prefer to go on with other business now rather than go on with this. I was not making any invidious suggestion thereby. I merely thought it would be more convenient to leave the discussion until the whole matter could be concluded.

Mr. Speaker: Naturally I am anxious to dispose of the matter as soon as possible. There are twenty-five minutes left before ten o'clock, unless the house would prefer to dispose of the resolution which is before the house.

Mr. St. Laurent: I think it might be more convenient if we postponed the continuation of the debate on the point of order until the time we could expect to complete it and ask Your Honour then to consider the arguments and give your decision. We might, perhaps, proceed with this resolution. It is probably not of a controversial nature.

Mr. Knowles: Yes; give us a chance to prove our point.

Mr. Speaker: Before proceeding with the resolution, I wish to thank the hon. member for Winnipeg North Centre (Mr. Knowles) for the manner in which he has presented his arguments. I can assure him they will receive my careful consideration. Other members of the house will have had the benefit of hearing his argument before presenting their arguments. I can assure him that I will read *Hansard,* and will give full consideration to the points he has raised.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. Lesage: As hon. members know, a system of encouraging intermediate credit for farm improvements was approved by parliament in the Farm Improvement Loans Act of 1944. The primary purpose of the act was to fill a gap in the credit system which has been developed in Canada to meet the needs of agriculture. That gap related chiefly to the provision of intermediate credit and certain types of short-term credit to farmers for the improvement and development of farms and for the improvement of living conditions thereon. The act aims at assisting, particularly, the average farmer who in the past has frequently not been able to secure bank credit for these purposes. It aims, moreover, at providing credit in a form and under terms and conditions which are convenient and suited to the needs and conditions of the particular farm borrower.

The principle of the act is that the government undertakes to reimburse the chartered banks for losses incurred on loans they make under the terms of the act up to a maximum of 10 per cent of the aggregate principal amount of loans made by each bank.

The original act established a limit on the total amount of loans that may be made from time to time under the act. The practice has been to set this over-all limit by three-year periods. The first period was the three years ended February 29, 1948, and the limit was set at $250 million. During that period the total loans made were of the order of $35 million. At September 30, 1952, the amount outstanding for that period was $258,282.18.

The second three-year period ended February 28, 1951 and had a limit of $150 million. In that period a further amount of $135 million was lent and at September 30, 1952, the outstanding amount for that period was $23,025,609.62. In March 1951, parliament set up a third three-year period ending February 28, 1954, with a limit of $200 million. At September 30, 1952 a total of nearly $170 million had been lent out of the $200 million and the amount outstanding was $122,454,211.34.

Up to the end of December, 1952, loans totalling nearly $350 million have been made under the act. Total losses paid to the banks from the inception of the act to the end of December, 1952, have amounted to $38,383.93 for 80 claims, and of this amount $2,010 has been subsequently recovered from borrowers.

The total number of loans from the inception of the act to December 31, 1952 has been 331,965, and at that date the total number of loans in default was 28,916. The trend of lending has been accelerated to such an extent that for the first 22 months of the current three-year period, loans under this act have reached a figure of over $183 million and it is clear that the $200 million limit presently in force would be reached some time in April or May. It therefore becomes necessary to amend the period and the limit if farm improvement loans are to continue to be available after April or May of this year.

The bill which will follow the resolution contains three things. First, it shortens the

present three-year period ending February 28, 1954, to an approximately two-year period ending March 31, 1953, March 31 being a more convenient terminal date than February 28. Second, it creates a new three-year period ending March 31, 1956. Third, it sets a limit of $300 million for this new three-year period.

I do not wish to take too much time to elaborate upon the value and usefulness of this act. In the past it has received unanimous support and the commendation of all sections of the House of Commons. However, it might interest hon. members to have some details on the operations under the act since the last report made by my predecessor in the house in February, 1951.

All hon. members know that in recent years economic conditions have made it both possible and desirable to improve and extend the mechanization of farm operations. The history of the act in that field, as well as in the general field of farm improvement, is one of constantly growing and increasing usefulness. Farmers have been using more and more the facilities of the banks under this act to obtain intermediate and short-term credit.

In the first year of operation—that is to say in 1945—the total amount of loans was roughly $4 million. In 1951 the total was $85 million and in 1952—that was last year—an amount of over $98 million was reached. There was an increase of 15 per cent.

With the permission of the committee, Mr. Chairman, I should like to place on *Hansard* at this point a table showing the number and amounts of loans made in each year from 1945 to September 30, 1952. This table also shows the number and amounts of loans in each province for each year.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Lesage: The table is as follows:

THE FARM IMPROVEMENT LOANS ACT

LOANS CLASSIFIED BY PROVINCES

YEARLY SINCE INCEPTION

1945 to September 30, 1952

—	British Columbia		Alberta		Saskatchewan		Manitoba		Ontario	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
		$ cts.		$ cts.		$ cts.		$ cts.		$ cts.
1945 (10 Months)	71	66,849 83	1,633	1,250,447 85	1,035	834,498,85	751	537,450 53	586	523,518 11
1946	467	343,706 21	4,798	3,388,114 70	4,075	3,140,157 35	1,928	1,397,538 74	1,443	1,369,371 47
1947	525	444,078 50	8,169	6,537,872 92	7,798	6,464,263 64	3,237	2,518,362 19	1,876	1,845,830 86
1948	765	747,323 27	10,962	10,634,375 65	10,725	10,505,458 91	4,788	4,532,345 37	2,427	2,260,050 52
1949	1,344	1,358,712 27	14,430	14,659,490 19	15,588	16,497,396 97	7,128	7,242,324 01	4,340	4,260,504 55
1950	1,693	1,709,994 57	17,161	18,508,716 74	20,090	22,557,445 30	7,712	8,263,981 50	7,914	8,043,839 45
1951	2,010	2,070,467 54	20,309	23,240,815 82	23,272	27,876,923 08	10,120	11,370,755 09	11,323	12,178,465 30
1952 (9 Months)	1,626	1,758,793 43	18,404	22,226,055 93	23,974	30,343,023 98	8,262	9,392,948 34	9,193	10,051,377 17
TOTAL	8,501	8,499,925 62	95,866	100,445,889 80	106,557	118,219,168 08	43,926	45,255,705 77	39,102	40,532,957 43

—	Quebec		New Brunswick		Nova Scotia		Prince Edward Island		Newfoundland		TOTAL	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
		$ cts.		$ cts.		$ cts.		$ cts.		$ cts.		$ cts.
1945 (10 Months)	150	111,965 75	29	26,437 20	37	23,213 40	19	7,360 50	.....	.....	4,311	3,381,742 02
1946	193	146,639 00	42	34,541 16	76	55,617 11	8	4,880 00	.....	.....	13,030	9,880,565 74
1947	315	246,366 81	55	46,392 35	56	46,223 20	15	11,431 00	.....	.....	22,046	18,160,821 47
1948	530	447,359 12	83	85,595 33	90	72,615 83	61	46,006 70	.....	.....	30,431	29,331,130 70
1949	1,388	1,341,867 92	168	182,255 66	163	132,450 91	226	204,077 87	.....	.....	44,775	45,879,080 35
1950	3,003	3,097,204 42	348	358,755 50	340	274,940 47	706	605,518 45	2	966 66	58,969	63,421,363 06
1951	5,405	6,125,621 89	655	696,750 78	695	619,719 71	1,271	1,144,295 31	3	2,412 50	75,063	85,326,227 02
1952 (9 Months)	4,596	5,426,270 73	669	698,508 65	704	679,203 10	1,281	1,237,538 52	30	37,864 00	68,739	81,851,583 85
TOTAL	15,580	16,943,295 64	2,049	2,129,236 63	2,161	1,903,983 73	3,587	3,261,108 35	35	41,243 16	317,364	337,232,514 21

From this table it will be noticed that in the first years of operation of the act its facilities were used mostly in the western provinces. However, the farmers of the eastern provinces in recent years have been using them to a greater and greater extent, especially for the mechanization of their farms. They have been doing so to such a point that from the table it will be seen that the increase in the amount of loans in 1951 over 1950 in the maritime provinces was a little over 100 per cent; in the province of Quebec, 97·7 per cent; and in Ontario, 51·4 per cent.

I have with me another table which I believe would be highly interesting to members of this committee. It gives the number of farmers for each province according to the 1951 census, with the number of loans made in each province for the period January 1, 1951, to September 30, 1952. The percentage relationship is indicated for each province and for the whole of Canada. Is it agreed that I may put this table on *Hansard*?

The Chairman: Is it agreed that this table go on *Hansard*?

Some hon. Members: Agreed.

Mr. Lesage: The table is as follows:

The Farm Improvement Loans Act

Percentage Relationship between the Number of Loans and the Number of Farmers

for the period—Jan. 1, 1951 to Sept. 30, 1952

	Number of Loans	Number of Farmers	Per cent
British Columbia	3,636	26,406	14
Alberta	38,713	84,315	46
Saskatchewan	47,246	112,018	42
Manitoba	18,382	52,383	35
Ontario	20,516	149,920	13
Quebec	10,001	134,336	7
New Brunswick	1,324	26,431	5
Nova Scotia	1,399	23,515	6
Prince Edward Island	2,552	10,137	25
Newfoundland	33	3,626	1
Total	143,802	623,087	23

From that table it will be seen that while the figure for the whole of Canada is 23 per cent, the figure for Alberta is 46 per cent; for Saskatchewan, 42 per cent; for Manitoba, 35 per cent; then it drops to 25 per cent for Prince Edward Island; 14 per cent for British Columbia; 13 per cent for Ontario; and 7 per cent, 5 per cent and 6 per cent respectively for Quebec, New Brunswick and Nova Scotia and only 1 per cent for Newfoundland.

If the western farmers have been using the facilities of this act to a greater extent than have their eastern friends, it is mainly owing to the fact that in the west the farms are much larger and also relatively new, so that the total cost of implements to the western farmer is usually much higher. In the east the farms are smaller. As an easterner I can say that we have principally mixed farming. Most of our farms are old establishments of one, two or even three centuries.

The number of loans made under the act in the last full calendar year for which we have complete data—that is 1951—was 75,063, an increase of 27 per cent over 1950. In that year loans for agricultural implements, including farm trucks, again constituted by far the largest percentage, namely 92 per cent. The purchase of livestock accounted for 4 per cent. Loans for the construction, repair or alteration of farm buildings accounted for 3 per cent; and all other loans, 1 per cent.

A table giving a statement on loans, classified by purposes, for the years 1950 and 1951, and also giving the total from the inception of the act up to December 31, 1951, can be found on page 12 of the annual report of the Farm Improvement Loans Act for the calendar year 1951. I have with me a table giving the number of loans and the total amount of such loans, classified by purposes, up to September 30, 1952. With the permission of the committee I should like to have it printed in *Hansard* at this point.

The Chairman: Is that request agreed to?

Some hon. Members: Agreed.

Mr. Lesage: The table is as follows:

The Farm Improvement Loans Act
Loans Classified by Purposes
to September 30, 1952

	No.	Amount
1. For purchase of agricultural implements	279,453	$306,611,040.41
2. For purchase of livestock	10,357	8,440,187.66
3. For purchase or installation of agricultural equipment or a farm electric system	1,923	908,139.44
4. For alteration or improvement of farm electric system	53	51,336.43
5. For erection or construction of fencing or works for drainage on a farm	407	252,434.50
6. For construction, repair or alteration of, or making additions to, any building or structure on a farm	14,798	16,166,259.11
7. For any other work for the improvement or development of a farm designated in the regulations	10,373	4,833,116.66
Total	317,364	$337,232,514.21

In the year 1951 farm implement loans amounting to $78,302,384 were made. This represents an actual sales volume of farm implements and trucks of $136,798,751. Loans for the purchase of trucks showed a sharp increase over the preceding year, namely by 61 per cent. Combine loans also increased substantially, namely by 47 per cent. For tractor loans the increase was 13 per cent. It is estimated that approximately 45 per cent of new tractors and 60 per cent of new combines sold in Canada in 1951 were financed under the act.

The act was used considerably to assist the farmers of Canada to finance the building of new homes, new barns and other buildings, and the repair or renovation of their present buildings. Since the commencement of the act, $14,798,000 has been provided for these purposes.

Livestock loans have marked the largest increase in any classification since 1950. The total of loans for that purpose, which amounted to $3,815,000 at the end of 1950 had reached a total of $8,440,187 at September 30, 1952. The amount has more than doubled in those 22 months of operation.

Improvements to and developments in connection with Canadian farms, valued at $1,010,109, were financed under the act in 1951. The loans for this purpose were $694,460 and were made for a variety of purposes, the most important of which is the clearing and breaking of new land. The extent to which the act has been used for this purpose is such that to the end of 1951, 373,641 acres had been brought under cultivation with 7,764 direct loans for this purpose. In addition, loans under the act have been made for a considerable amount of machinery and equipment for this same purpose. No record of the acreage brought under cultivation as a result of the purchase of this machinery is maintained, but it must be substantial.

In conclusion, I believe hon. members will agree that this legislation has done very much to improve the economic status of the Canadian farmer. Anything that helps the farmer contributes to the economic welfare of all Canadians. In addition, the expanded mechanization and electrification of Canadian farms and improvements to farm homes have added much to the farm family's way of life.

Mr. Ross (Souris): I should like to say a word in reference to this proposed legislation. As the parliamentary assistant has pointed out, this has meant a great deal to the agricultural areas of this country. He pointed out the great amount of credit that had been issued in western Canada as a result of this legislation. I know some communities in western Canada where a great deal of the farm implement business has been financed through this Farm Improvement Loans Act. I remember a discussion back in February, 1951, to which he referred, when we had had some six years of the operation of this legislation. I think the amount of money and the percentage used for the purchase of farm implements were comparable to the figures he has given for the period since that date. The same applies to livestock. It is rather surprising that such a small percentage has been used for the construction or the repair of farm buildings under this set-up.

Since the act was first brought into being in 1944 there has been a great increase in inflation in this country. The maximum individual loan provided under the act is $3,000. I do not think that is adequate under present-day conditions, especially when one takes into consideration the price of the big farm implements themselves. The parliamentary assistant dealt with the matter of tractors and combines; but the self-propelled combine, for instance, which is in very great use in western Canada today, costs almost twice as much as it did at the time this legislation was enacted. Likewise the diesel tractor is at least 80 per cent higher today than the retail price of the machine at the time this legislation was enacted.

I am wondering whether the government has given any consideration to increasing the individual maximum loan limit to more than $3,000. I should think they might well increase it to at least $5,000 at this time. As proof of that necessity the parliamentary assistant will realize that at the last session of parliament an amendment was made to the Canadian Farm Loan Act, which is a different form of legislation for financing the purchase of land for farming purposes. If my memory serves me right—I have not checked on this—I think the original maximum individual loan was increased from $5,000 to $10,000; in other words the amount was doubled. If that was necessary at that time, I think it is equally necessary that the individual maximum provided under this act should be increased to some extent, and I would suggest at least from $3,000 to $5,000. Can the parliamentary assistant say whether consideration has been given to that matter? I shall have some other questions later on.

Mr. Lesage: Yes, consideration has been given to that matter. In considering the possibility of increasing the ceiling of $3,000

on individual loans, the government has taken into account the amount of pressure from farmers to obtain maximum loans of $3,000. I hold in my hand a table showing all loans in the amount of $3,000 which have been made since the inception of the act, to September 30, 1952. With the permission of the committee I should like to have this table printed in *Hansard* at this point.

Mr. Jutras: Is that for all provinces?

Mr. Lesage: It is by provinces and by banks.

The Chairman: Is it agreed that this table be printed in *Hansard*?

Some hon. Members: Agreed.

Mr. Lesage: May I finish my answer. The total is 6,343 loans of $3,000 each, and of a total number of loans of over 300,000 it is less than 2 per cent.

Mr. Argue: Does that take into account this kind of a situation? A farmer may have obtained two $1,500 loans, shall we say, six months apart. Are these actually single loans that are not over $3,000?

Mr. Lesage: It is two minutes to ten. The officials of the department who were supposed to be here this evening have not yet arrived. They will be here when this matter comes up again and I shall be in a position to answer my hon. friend's question at that time. Perhaps the chairman would call it ten o'clock.

Mr. Browne (St. John's West): In the meantime, is the hon. member going to put the table on *Hansard*?

The Chairman: I understand that has been agreed to.

Mr. Lesage: The table follows:

THE FARM IMPROVEMENT LOANS ACT

All Loans Since Inception in the Amount of $3,000 to September 30, 1952

	B.C.	Alta.	Sask.	Man.	Ont.	Quebec	N.B.	N.S.	P.E.I.	Nfld.	Total
AGRICULTURAL IMPLEMENTS											
Bank—Nova Scotia	2	139	323	34	14	3	3	2	2	—	—
National	12	—	—	17	—	7	—	—	—	—	—
Dominion	—	40	31	47	8	1	—	—	—	—	—
Toronto	5	88	232	61	23	—	—	—	—	—	—
Imperial	1	125	283	17	9	—	—	—	—	—	—
Commerce	41	446	640	184	31	8	1	—	1	—	—
Royal	13	554	820	283	15	1	1	—	1	—	—
Montreal	8	446	483	128	27	4	4	1	1	—	—
Total	82	1,838	2,812	771	127	24	9	3	5	—	5,671
LIVESTOCK											
Bank—Nova Scotia	2	7	3	—	26	3	1	2	1	1	—
National	—	—	—	1	2	8	—	—	—	—	—
Dominion	—	2	5	3	13	—	—	—	—	—	—
Toronto	—	4	5	2	1	—	—	—	—	—	—
Imperial	1	—	—	—	3	—	—	—	—	—	—
Commerce	6	8	2	4	16	4	2	—	—	—	—
Royal	16	8	1	1	6	—	—	1	—	—	—
Montreal	10	6	5	—	14	1	—	—	—	—	—
Total	35	35	21	11	81	16	3	3	1	1	207
CONSTRUCTION											
Bank—Nova Scotia	4	19	5	4	19	1	2	5	1	1	—
National	—	—	—	6	1	18	—	—	—	—	—
Dominion	—	1	—	—	—	—	—	—	—	—	—
Toronto	—	7	9	1	16	—	—	—	—	—	—
Imperial	—	17	8	—	20	1	4	—	—	—	—
Commerce	21	31	20	6	10	48	2	4	1	—	—
Royal	4	9	2	1	10	4	2	—	—	—	—
Montreal	26	27	12	7	33	4	1	—	2	—	—
Total	55	111	56	25	109	76	11	9	4	1	457
BRUSHING & BREAKING											
Bank—Commerce	—	2	1	—	1	—	—	—	—	—	—
Dominion	—	—	—	1	—	—	—	—	—	—	—
Toronto	—	1	—	—	—	—	—	—	—	—	—
Montreal	—	2	—	—	—	—	—	—	—	—	—
Total	—	5	1	1	1	—	—	—	—	—	8
											6,343

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue consideration of the resolution which we have been discussing with respect to the Farm Improvement Loans Act, 1944. Then we shall take up the resolution in the name of the Prime Minister respecting the Emergency Powers Act; Bill No. 48, respecting food, drugs, cosmetics and therapeutic devices; the resolution of the Minister of Fisheries respecting confirmation of the international convention for the high seas fisheries of the north Pacific ocean, signed by Canada, the United States and Japan; and if we have time left, Bill No. 44 and Bill No. 46.

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

APPENDIX

FLOODS—REPLIES TO EXPRESSIONS OF SYMPATHY

GOVERNMENT HOUSE
Ottawa 2.

Office of the Secretary
to the Governor General

February 6th, 1953.

Dear Mr. Speaker:

Immediately upon receipt of your letter of the 4th February, the text of the resolution passed by the House of Commons on Monday, the 2nd February, was forwarded to the private secretary to the Queen to be laid before Her Majesty.

Word has now been received from the private secretary to the Queen stating that Her Majesty greatly appreciates this resolution and that he was commanded to convey to the Governor General the Queen's sincere gratitude for the sympathy and generous offer of help to which this resolution gives expression.

Yours sincerely,
LIONEL MASSEY,
Secretary to the Governor General.

The Hon. W. Ross Macdonald, Q.C.,
Speaker of the House of Commons,
Ottawa, Ontario.

ROYAL NETHERLANDS EMBASSY

February 12th, 1953.

Dear Mr. Speaker,

You were so extremely kind to send me with your letter of February 4th copies of the House of Commons debates of February 2nd and 3rd in which reference was made to the dreadful disaster which has befallen my country, as well as a copy of your letter to the Honourable Lester B. Pearson, in respect to the resolution referred to in the Debates.

I need not emphasize how grateful my government and people are for the sympathy and help from other friendly nations, last but not least from Canada.

On Sunday last Her Majesty Queen Juliana spoke to her people on the occasion of our national day of mourning and the Queen said:—

"The greater the misery caused by the losses we have sustained, the more deeply do we feel the fraternity of mankind which has found an echo in the breasts of men and women far beyond the confines of our country. Men of the free world have responded to the fierce tides with a mighty tide of Christian charity".

Yesterday a motion in parliament was proposed, unanimously carried, and worded as follows:—

"The Second Chamber of the States General deeply touched by the tide of compassion and love for his neighbour, as well as feelings of unity, which has been so strikingly demonstrated not only by the people of The Netherlands but which has also come to us across our borders as a demonstration of the unity of peoples, express to all friendly governments and peoples their gratefulness which they hope they will be able to prove themselves worthy of for the benefit of the world".

Very sincerely yours,
A. H. J. LOVINK

The Honourable W. Ross Macdonald,
Speaker of the House of Commons,
House of Commons,
Ottawa.

The following is a translation of the communication received:

DEPARTMENT OF THE GRAND MARSHAL OF THE COURT

February 9th, 1953

Sir:

I have had the honour of placing before the King the letter in which Your Excellency has been pleased to acquaint me of the resolution voted on February 2nd last, by the Canadian House of Commons.

His Majesty is deeply touched by the sympathy which the House of Commons has expressed for the Belgian people, so sorely tried by the recent floods. The King would be most grateful to Your Excellency if you would be so kind as to request the honourable the Speaker of the House of Commons to convey to that exalted body his most heartfelt gratitude for the sympathy it has so cordially expressed to the Belgian people as well as for the very kind intentions it has voiced with regard to the victims.

I avail myself of this opportunity, sir, to renew the assurances of my highest consideration.

CARTON de WIART
Grand Marshal of the Court BN

The Canadian Ambassador,
Brussels.

HOUSE OF COMMONS

Wednesday, February 18, 1953

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

SUSPENSION OF STANDING ORDER 28 FOR SITTING OF THURSDAY, FEBRUARY 19

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, in connection with the announcement made by the Minister of Finance (Mr. Abbott) that he proposed to bring down his budget tomorrow night at eight o'clock, it has been pointed out that for the regularity of the record it would be preferable to have an order that standing order 28 in relation to the Speaker leaving the chair without question put be suspended for tomorrow. If I had the unanimous consent of the house, I should like so to move.

Some hon. Members: Agreed.

Mr. St. Laurent moved:

That the provisions of standing order 28 in relation to Mr. Speaker leaving the chair without question put for the house to go into committee of ways and means be suspended for the sitting of Thursday, February 19, 1953.

Motion agreed to.

GRAIN

MARKETING OF WESTERN WHEAT, OATS AND BARLEY—INCREASE IN INITIAL PRICE OF WHEAT

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I should like to make a brief statement to the house with regard to the marketing of western wheat, oats and barley. As hon. members of the house know, phenomenal grain crops were produced in the prairie provinces last year: a record wheat crop of 664 million bushels, a record barley crop of 281 million bushels and a large oats crop of 346 million bushels. The marketing of grain production of this magnitude has of course presented many difficulties and it was realized early in the crop year that these problems could be met only through aggressive selling on the part of the Canadian wheat board and the provision of maximum transportation for the movement of grain.

I am happy to report that good progress is being made with the receiving and the merchandising of western grains. In spite of elevator congestion, which must be expected in the face of the size of the 1952 grain crops, producers had delivered a total of 461 million bushels of grain up to February 5, 1953—a quantity of grain not exceeded during the corresponding period in any of the past ten years. As grain is moved forward from country elevators, producers will continue to add to their deliveries of grain throughout the crop year.

The bumper crops of 1952 have been accompanied by an excellent demand particularly for wheat and barley. Exports of grain are running well ahead of the corresponding period a year ago when new records were established. I have every reason to believe that the record exports of 1951-52 will be exceeded by a substantial margin by exports in 1952-53. The Canadian wheat board has made very large sales so far in the crop year and has large sales on its books for delivery during the balance of the crop year.

Having regard to the present sales position, the government has approved an increase in the initial price of all grades of wheat, excepting durums, from $1.40 per bushel to $1.60 per bushel, basis No. 1 northern in store Fort William, Port Arthur or Vancouver. The increase will become effective on March 2, 1953. This means that an adjustment payment of 20 cents per bushel will be made to producers covering their deliveries of all grades of wheat other than durums to the board between August 1, 1952, and February 28, 1953.

In the case of durum wheat, there has been an exceptionally strong demand during the present crop year and actually the production of durum wheat is not now sufficient to meet the demand for this type of grain. Therefore, the initial prices of all grades of durum wheat will be increased by 25 cents per bushel and an adjustment payment in this amount will be made to all producers delivering durum wheat to the board between August 1, 1952, and February 28, 1953. This will bring the initial prices of durum grades from their present level of $1.40 per bushel for No. 1 amber durum in store Fort William, Port Arthur or Vancouver to $1.65 per bushel effective on March 2, 1953. There appears to be a growing market for durum varieties of wheat and it is my hope that this increase in the initial payment for this variety of wheat will serve to encourage additional durum production in 1953.

Grain

In regard to coarse grains, we must recognize that 1952 production and estimated marketings of oats and barley during the crop year 1952-53 involve extraordinary quantities. From the 1952 production, it is estimated that producers will have surpluses of about 175 million bushels of each grain. The position in respect to barley is satisfactory in respect to both marketing and sales and accordingly the government is increasing the initial price of all grades of barley by 15 cents per bushel effective March 2, 1953. The new initial price of barley will be $1.11 per bushel basis No. 3 CW 6 row barley in store Fort William or Port Arthur as compared with the present initial price of 96 cents per bushel. This will involve an adjustment payment of 15 cents per bushel on all grades of barley delivered to the board between August 1, 1952, and February 28, 1953.

I now wish to deal with the oats position. Up to the present time only about one-third of possible deliveries of oats for the crop year have been delivered by producers and while sales have been satisfactory, the Canadian wheat board do not feel in a position to make a definite recommendation at this time in regard to an increase in the initial price for oats. You will recall that a similar position was taken a year ago in regard to oats. Accordingly, it is the policy of the government to leave the initial price of oats at its present level for the balance of the crop year.

The adjustment payments which I have mentioned are, of course, subject to the one per cent levy under the Prairie Farm Assistance Act.

The wheat adjustment payment will commence on April 1 and will be followed immediately by the barley adjustment payment. If the present rate of producers' deliveries continues until the end of February, the adjustment payments on wheat and barley will amount to about $80 million.

Mr. Diefenbaker: I should like to ask the minister a question. Will that 20-cent adjustment payment for wheat be paid out of moneys held to the credit of the farmer, or will it be borrowed as happened in 1949 when a similar payment was made?

Mr. Howe: I cannot say as to that. I presume that the wheat board will have sufficient funds, but if not its credit is good and I am sure it will borrow the money to make the payment which usually is made to farmers at this time.

[Mr. Howe.]

INQUIRY AS TO 15-BUSHEL QUOTA THROUGHOUT WESTERN CANADA

Mr. H. R. Argue (Assiniboia): I am sure hon. members from western Canada are pleased with the minister's announcement. The question I should like to ask is this. When does he expect that the 15-bushel quota may be general throughout western Canada, and to what extent does he think that 15-bushel quota may be raised before the end of the crop year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am happy that my hon. friend asked that question today because I asked the same question of the chairman of the wheat board yesterday. He told me he is hopeful that the 15-bushel quota will be made uniform across the prairies before the end of February.

THE BUDGET

TABLING OF WHITE PAPER

Hon. Douglas Abbott (Minister of Finance): I desire to table copies in English and in French of the white paper in connection with the budget 1953-54. This procedure of tabling the white paper the day before the budget was adopted last year and has, I believe, proved useful to hon. members. I would suggest, if it meets the approval of the house, and I so move, that it be printed in today's *Votes and Proceedings* so that hon. members will have an opportunity to study it before I deliver the budget speech tomorrow evening.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

CITIZENSHIP

PROVISION IN SUPPLEMENTARY ESTIMATES WITH RESPECT TO EDUCATION OF NEWCOMERS

Hon. W. E. Harris (Minister of Citizenship and Immigration): Hon. members will be interested to know that it is the intention of the government to provide in the supplementary estimates for a sum from which grants may be made to provincial governments with respect to the education of our newcomers in citizenship. It is a well recognized fact that the sooner the newcomers are made familiar with the English or the French language, the habits and customs of the Canadian people, our history, our form of government, and our democratic processes, the sooner they will become useful and productive citizens. There are at the moment

approximately 45,000 adult newcomers attending citizenship classes in the various provinces and we hope that these classes will be continued and increased in number.

The grant to each provincial government would be one-half the amount contributed by the provincial government for these citizenship classes. Letters are going forward to each provincial premier advising him of this and inviting his government to join in making a suitable agreement.

Mr. Fleming: May I ask the minister with reference to the answer he has just given whether the federal financial assistance is being confined simply to the instruction in citizenship, or whether it will extend to relieve the local school authorities of some of the burden they are now carrying in the instruction of those newcomers in the English or the French language.

Mr Harris: Perhaps my hon. friend did not hear the precise wording of the final paragraph, which reads:

The grant to each provincial government would be one-half the amount contributed by the provincial government for these citizenship classes.

Mr. Fleming: Apparently I have not made my question clear to my hon. friend. This is a question that is to be regarded as training in citizenship. Is it going to extend to include the type of education that is now being afforded to the newcomers by the local school authorities, and which takes the form in many municipalities of instruction in language?

Mr. Harris: If these schools qualify for provincial grants, then the federal government will make a grant to the province accordingly.

Mr. Brooks: May I ask a supplementary question? Are special schools to be set up for this instruction?

Mr. Harris: I have no idea what the various provinces call their schools. The schools that I am referring to are in the main conducted by the local boards of education, mainly, almost exclusively, at night, and usually in the school building. There are, however, some other schools maintained by voluntary organizations which are doing good work as well.

Mr. Simmons: May I ask the minister whether this provision will apply to the Yukon and the Northwest Territories? The minister just mentioned the provinces.

Mr. Harris: I agree that in the announcement I made no mention of the Yukon, but we never forget the Yukon; it is part of the Dominion of Canada.

QUESTIONS

DELAYED INCOME TAX RETURNS—VICTORIA, B.C.

Mr. Green:

1. Was any person, firm or company fined in Victoria, British Columbia, during the month of December, 1952, for delay in filing income tax returns?

2. If so, what amount of fine was levied in each case, and how long after the due date was the return filed in each case?

Mr. McCann:

1. One individual and one corporation.

2. The individual was fined $50 for failure to file a T4 information return in respect of the year 1950 on the due date of 28th February, 1951. As of 7th February, 1953, the return had not been filed.

The corporation was fined $25 for failure to file a T4 information return in respect of the year 1950 on the due date of 28th February, 1951. The corporation filed such a return on 21st November, 1952.

PRINCE ALBERT AIRPORT RUNWAYS

Mr. Diefenbaker:

1. Has the government given consideration to providing the city of Prince Albert with all-weather runways at the airport?

2. If so, has a favourable decision been arrived at?

Mr. Benidickson:

1. Following a recent visit from a delegation from the city of Prince Albert to the Minister of Transport, arranged by the hon. member for Prince Albert, further consideration is being given to questions related to the improvement of the airport at Prince Albert. Decision as to the time at which further work can be initiated has not yet been taken.

2. Answered by No. 1 above.

R.C.A.F.—FIRST CF-100 SQUADRON

Mr. Fulton:

1. When is it expected that the first Royal Canadian Air Force squadron will be fully equipped with CF-100 aircraft?

2. How many CF-100's will this squadron have?

3. Where will it be stationed?

4. How far behind original schedule will the final deliveries to this squadron be?

Mr. Campney:

1, 2 and 3. An R.C.A.F. squadron stationed at North Bay will be equipped for operations with CF-100 aircraft in the near future. It is contrary to the public interest to disclose the numbers of aircraft in a squadron intended for the defence of Canada or to give the exact date when it will become operational.

Questions

4. The Minister of Defence Production at page 1952 of *Hansard* in answer to a number of questions has dealt with the production program for the CF-100. The schedule of deliveries to squadrons is directly related to the rate at which the aircraft are produced.

CANADIAN FORCES, KOREA—BOOTS

Mr. Harkness:

1. Is the ordinary type of army boot, generally designated "boots, ankle" equipped with steel cleats on toe and heel, the type of boot on issue to troops in Korea?

2. If so, has this type of boot been found suitable in Korea?

3. If a change was made in the type of boot issued, what was the date of this change, what was the new type of boot issued, and what proportion of the personnel in the Korean brigade was issued with a different type?

Mr. Campney:

1. Boots generally issued to the 25th Canadian infantry brigade in Korea are the regular type of boot known as "boots ankle" issued to Canadian forces in Canada and Europe. These boots are about 7¼ inches high; they have steel plates on the toes and heels and are hobnailed as necessary. Tank crews are issued with "boots ankle CAC", which are similar to the regular "boots ankle" except that the soles and heels are rubber and not equipped with steel plates or hob nails. Both knee and hip length rubber boots are issued for special purposes. During 1951-52 about 50 per cent of the brigade were issued with "boots rubber soles leather uppers" similar to the shoepacs used by lumbermen, being about 12½ inches high. On balance this boot was not found to be generally satisfactory for use in Korea because of the conditions of climate and terrain found there. A number of British boots "cold-wet-weather" were purchased and issued. Also, some 1,500 pairs of boots "X-49-C" made in Canada were issued for trial purposes in 1951-52. These boots are similar to the "boots ankle" except that composition soles and heels were used in the design. The results of these trials are now being evaluated. A further 500 pair of boots were issued for trials in Korea in June, 1952. These boots are similar to the X-49-C boots, but with a leather extension 3¾ inches high, making the total height of the boot about 11 inches. Other user trials have been made of other boots of Canadian, British and United States design and these trials are continuing.

2. So far the Canadian ankle boot, as modified with the leather extension, has been found a most satisfactory boot for general use in Korea. A substantial number of the regular boots ankle have been modified in a similar way in the theatre. As stated in answer to question 1, other types of footwear have been, and are being given user trials.

3. See answers to Nos. 1 and 2.

FISH—LANDED VALUES AND QUANTITIES, NEW BRUNSWICK

Mr. Robichaud:

What are the quantities and landed value of all species of fish landed in the following counties of the province of New Brunswick, during the years 1949, 1950, 1951 and 1952: (a) Charlotte; (b) Albert; (c) Gloucester; (d) Kent; (e) Restigouche; (f) Saint John; (g) Westmorland?

Mr. MacNaught:

DEPARTMENT OF FISHERIES

LANDINGS AND LANDED VALUES, BY COUNTIES IN NEW BRUNSWICK

County	1949		1950		1951		1952	
	Landings	Landed Value	Landings	Landed Value	Landings	Landed Value	Landings	Landed Value
	Cwt.	$	Cwt.	$	Cwt.	$	Cwt.	$
Charlotte	759,497	1,914,665	1,100,900	1,723,290	822,931	2,371,495	962,753	2,279,823
Albert	113	2,276	228	2,179	61	1,614	166	2,874
Gloucester	459,229	1,302,526	485,368	1,345,592	514,883	1,508,768	508,252	1,573,906
Kent	198,308	792,358	230,524	1,056,693	236,817	982,154	275,988	1,181,217
Restigouche	12,961	135,564	10,714	190,041	11,440	169,848	9,181	184,970
Saint John	93,769	321,230	144,928	296,081	89,467	331,706	148,987	402,942
Westmorland	130,347	595,100	160,396	717,834	200,855	701,870	147,510	817,883

Questions

C.B.C., QUEBEC—EMPLOYEES AND PROGRAMS

Mr. Balcer:

1. How many persons are in the employ of the Canadian Broadcasting Corporation, in the city of Quebec?
2. What are their various duties?
3. What is the total amount of weekly salaries paid to such employees?
4. How many program hours originate in the Quebec studios of the said corporation, each week?
5. What are these programs?

Mr. McCann:

1. Twenty-four.

2. Technical operation, program production, announcing, stenographic, clerical.

3. Salaries are not computed on a weekly basis. The total monthly cost of salaries is approximately $6,800.

4. Approximately nine hours.

5. Sample week—February, 1953:

Sunday

1:00- 1:15 p.m., Institutions Politiques.
7:00- 7:30 p.m., Match intercité.
10:15-10:30 p.m., Clément Lockwell.

Monday

7:30- 7:50 a.m., Badinage Musical.
7:50- 8:00 a.m., Boujour les sportifs.
8:15- 8:30 a.m., Elévations matutinales.
5:00- 5:15 p.m., La vie de la terre.
5:15- 5:30 p.m., Les grands phénomènes de la nature.

Tuesday

7:30- 7:50 a.m., Badinage Musical.
7:50- 8:00 a.m., Boujour les sportifs.
8:15- 8:30 a.m., Elévations matutinales.
6:30- 6:45 p.m., Les collégiens en vacances.

Wednesday

7:30- 7:50 a.m., Badinage Musical.
7:50- 8:00 a.m., Boujour les sportifs.
8:15- 8:30 a.m., Elévations matutinales.

Thursday

7:30- 7:50 a.m., Badinage Musical.
7:50- 8:00 a.m., Boujour les sportifs.
8:15- 8:30 a.m., Elévations matutinales.
10:15-10:30 p.m., La Politique Provinciale.
10:30-11:00 p.m., Recital.

Friday

7:30- 7:50 a.m., Badinage Musical.
7:50- 8:00 a.m., Boujour les sportifs.
8:15- 8:30 a.m., Elévations matutinales.

Saturday

7:30- 7:50 a.m., Badinage Musical.
7:50- 8:00 a.m., Boujour les sportifs.
8:15- 8:30 a.m., Elévations matutinales.
10:30-11:30 a.m., Concert intime.
12:00-12:30 p.m., Musique Légère.
7:30- 8:00 p.m., Trois de Québec.

FISHERMEN'S LOANS, GLOUCESTER COUNTY, N.B.

Mr. Robichaud:

1. Have any loans been made to any individual or corporation in Gloucester county, New Brunswick, under the Canadian Fisherman's Loan Act, since 1945?
2. If so, (a) to whom and when were any such loans made; (b) what was the amount of each loan; (c) for what purposes were such loans made?

Mr. Lesage:

1. No.
2. Answered by No. 1.

IMPERIAL OIL COMPANY—PAYMENTS UNDER AGREEMENT

Mr. Wright:

1. What amounts of revenue were received each year from 1944 to 1952 inclusive, from (a) royalties; (b) sale of production, from the unit area under section 18 of agreement between Canada and Imperial Oil Company, under agreements tabled on January 30, 1953?
2. What was the number of barrels of oil produced in the unit area and the well head price per barrel?
3. What other payments, if any, were received by the dominion government from the Imperial Oil Company, during the lifetime of the above agreements?
4. What payments, if any, were made to the Imperial Oil Company by the dominion government, during the term of these agreements?

Mr. Winters:

1.

Year	(a) Royalties	(b) Sale of Production
1944	nil	nil
1945	$ 2,761.66	$ 20,158.25
1946	11,434.02	92,191,83
1947	17,048.74	127,352.86
1948	20,192.18	171,457.39
1949	3,596.09	3,236.51
1950	11,621.00	93,614.28
1951	11,253.72	88,580.79

Note:—Under the provision of order in council P.C. 6170 dated the 7th of August, 1944, royalty was not payable for "duration of the war"; therefore royalty payments did not commence until May 4, 1945. Statements for 1952 production and royalty have not yet been received.

2.

Year	Production in Barrels	Well Head Price per Barrel
1944	nil	nil
1945	86,138	$1·44741
1946	138,088	1·902183
1947	231,844	2·2061
1948	319,688	1·8693
1949	170,381	0·5902
1950	183,591	1·7726
1951	217,818	0·4500

Questions

3.

Year	Acreage Rentals on 3 leases included in "Agreement"
1944	nil
1945	$1,440.00
1946	1,440.00
1947	1,440.00
1948	1,440.00
1949	1,440.00
1950	1,440.00
1951	1,440.00

4. No payments were made to the Imperial Oil Company under the agreement by the government of Canada.

H.M.C.S. "SHEARWATER"—COOKS

Mr. Knowles:

1. Have any civilians employed as cooks by the Department of National Defence, at *Shearwater*, Nova Scotia, been replaced at any time this year by naval personnel?

2. If so, how many of such civilian cooks were replaced? Were they dismissed from employment with the Department of National Defence?

3. How many of such dismissed civilian cooks are veterans of world war I, or world war II?

4. How many naval personnel have been or will be posted to do the work done by the said civilian cooks?

5. Has the Minister of National Defence declared that it costs more to use service personnel than civilians for work which can be done by civilians?

6. If so, how does the Minister of National Defence explain the replacement of civilians by enlisted personnel for this work?

Mr. Campney:

1. Yes.

2. Each having been given three weeks notice, 17 civilian cooks were released from 27 January to 6 February.

3. Eight.

4. At present 15 naval cooks do the work done by the 17 civilian cooks; not more than 17 naval cooks will eventually replace the 17 civilian cooks.

5 and 6. It is the policy of the Royal Canadian Navy to fill sufficient positions in shore establishments with service personnel to enable an adequate rotation scheme to function. If this were not done, naval personnel would be required to serve continuously at sea. Because of a shortage of naval cooks, civilian cooks were hired on a temporary basis in a number of shore establishments until trained service personnel became available.

CANADIAN FORCES, EUROPE—FOOD PURCHASES

Mr. Diefenbaker:

How many pounds of (a) eggs; (b) bacon; (c) cheese, have been purchased from countries in Europe, during the last six months for the use of the Canadian forces in Europe?

[Mr. Winters.]

Mr. Campney: In order to avoid the setting up of separate supply lines at considerable expense, rations for the 27th Canadian infantry brigade and the R.C.A.F. air division are obtained through British and American, European supply lines. The Department of National Defence therefore has no record of the countries from which the rations referred to are purchased.

COBALT PRICES AND COSTS

Mr. Knowles:

1. What price per pound is the Canadian government now paying for cobalt ores and concentrates?

2. What is the total cost per pound to the Canadian government of refined cobalt, including the purchase price of ores and concentrates and the cost of refining by Deloro Smelting and Refining Company?

3. What is the world price per pound for refined cobalt?

Mr. Dickey:

1. Canadian government is now paying the following price per pound of contained cobalt on an f.o.b. Cobalt, Ontario basis:

Contained Cobalt	Price Per Pound
7·00-7·99%	$1.20
8·00-8·99%	1.50
9·00-9·99%	1.80
10·00% plus	2.00

2. As no cobalt concentrates purchased under the Canadian government's premium price plan have been refined into metal no answer can as yet be given to this question.

3. The E. & H. J. price for refined cobalt metal, 97 per cent grade is $2.40 per pound.

COBALT EXPORTS AND PURCHASES

Mr. Knowles:

1. Was the export of cobalt from Canada banned as from any date in 1950 or 1951? If so, at what date? Is such ban still in effect?

2. Did Silver Miller Mines Limited enter into a contract with any United States agency, at any time in 1951 or 1952, for the export of cobalt from Canada to the United States? If so, what was the date and what were the terms of any such contract, including the price per pound to be paid for such cobalt?

3. Did the Canadian government approve of any such contract? If so, by what means was such approval granted? Was there any consultation between United States and Canadian authorities concerning this contract?

4. Was this contract cancelled? If so, when and by whom? Were any representations calling for the cancelling of this contract made by United States authorities to the Canadian government? If so, by whom and when?

5. Is Silver Miller Mines Limited exporting any cobalt at the present time? If so, to whom and under what terms and conditions and at what price per pound?

6. Is the Canadian government buying cobalt from Silver Miller Mines Limited at the present time? If so, under what terms and conditions and at what price per pound?

7. Is the Canadian government buying cobalt from other firms or companies at the present time? If so, from whom, under what terms and conditions and at what price per pound?

Mr. Dickey:

1. Export permits for cobalt ores and concentrates were refused, in line with the Canadian government purchasing policy announced in the House of Commons on February 15, 1951, by the Minister of Defence Production. Export permits have been available since January 1, 1953.

2. No information.

3. No.

4. No information.

5. No.

6. Yes. The Canadian government is now paying the following price per pound for contained cobalt on an f.o.b. Cobalt, Ontario basis:

Contained Cobalt	Price Per Pound
7·00-7·99%	$1.20
8·00-8·99%	1.50
9·00-9·99%	1.80
10·00% plus	2.00

7. Since January 1, 1952, the Canadian government has purchased cobalt concentrates from the following producers, under the tariff outlined above:

(a) Silanco Mining and Refining Company Ltd.
(b) Mensilvo Mines Ltd.
(c) Harrison Hibbert Mines Ltd.
(d) Norbert Silver Mines Ltd.
(e) Penn Cobalt Silver Mines Ltd.
(f) Siscoe Metals of Ontario Ltd.
(g) Cross Lake Lease.
(h) J. H. Sutherland.
(i) Shag Silver & Nipissing.
(j) Silver Miller Mines Ltd.

CENTRAL MORTGAGE AND HOUSING CORPORATION—SALARIES

Mr. Diefenbaker:

1. How many officers and officials of the Central Mortgage and Housing Corporation receive salaries in excess of $7,000 per year, giving names and positions held?

2. Have any salaries been increased in such categories during the year 1952, and the present year to date? If so, what are the names of such persons and the respective amounts of the increases?

Mr. Winters:

1. (a) There are 27 officers and officials of Central Mortgage and Housing Corporation receiving salaries in excess of $7,000 per year.

(b) It is not the policy of the government to ask Central Mortgage and Housing Corporation to disclose the names of this group, because of the quasi-commercial nature of the corporation and its competitive position in securing and retaining staff in the mortgage and construction fields.

2. (a) Yes.

(b) see 1(b).

IMPORTS OF FISH MEAL

Mr. Applewhaite:

1. Has any fish meal been imported into Canada from July 1, 1952 to date?

2. If so, from what countries and what quantity from each country?

3. Was any such fish meal imported into British Columbia?

4. If so, from what countries and what quantity from each country?

Mr. MacNaught:

1 and 2. From July 1 to December 31, 1952 imports amounted to 452,500 pounds all from Portugal.

3 and 4. There were no imports through British Columbia ports.

FISH—LANDED VALUES AND QUANTITIES, BONAVENTURE COUNTY

Mr. Robichaud:

What are the quantities and landed value of all species of fish landed in the county of Bonaventure, Quebec, during the years 1949, 1950, 1951 and 1952?

Mr. MacNaught:

	Landings Cwt.	Landed Value $
1949	146,152	330,434
1950	90,115	314,781
1951	61,896	341,681
1952	77,083	346,373

SALES TAX AND DUTIES ON BOOKS

Mr. Knight:

1. What is the rate of sales tax imposed upon books sold in Canada?

2. What classes of books are exempt from such sales tax?

3. What is the rate of import duties on books entering Canada?

4. Under what circumstances are books admitted to Canada free of import duties?

5. What amount of revenue accrued to the government in the last year of record from (a) sales tax; (b) import duties, on books?

6. Has the government given consideration to cancelling the import duties on books imported by bona fide university professors which might be considered as reference books to the courses which they teach?

7. If so, what is the result of such consideration?

Mr. McCann:

1. 10 per cent.

2. Books which are included in the curriculum of any university, college or school in Canada for use as text books or as works

of reference, not to include dictionaries; printed books for use in schools to test the degree of intelligence of pupils; all books for bona fide libraries, and being the property of the organized authorities of such libraries and not in any case the property of individuals or business concerns, under such regulations as may be prescribed by the minister; directories for free reference libraries; books received from free lending libraries abroad, subject to return under customs supervision within sixty days;

Bibles, missals, prayer books, psalm and hymn books, books, bound and unbound, for the promotion of religion;

Books for the instruction of the deaf or dumb;

Text books, printed, authorized by the department of education of any province in Canada.

3 and 4. The rates specified in the following tariff items:

—	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
169	Books, viz.:—Novels or works of fiction, or literature of a similar character, unbound or paper bound or in sheets, but not to include Christmas annuals, or publications commonly known as juvenile and toy books	Free	10 p.c.	25 p.c.
170	Books, periodicals and pamphlets, or parts thereof, printed, bound, unbound, or in sheets (not to include blank account books, copy books, or books to be written or drawn upon) in any other than the English language	Free	Free	Free
171	Books, printed, periodicals and pamphlets, or parts thereof, n.o.p., not to include blank account books, copy books, or books to be written or drawn upon	Free	10 p.c.	10 p.c.
172	Books, pamphlets and charts, printed or published by any government abroad; official financial and business reports and statements issued by companies or associations abroad; books, pamphlets and reports, for the promotion of religion, medicine and surgery, the fine arts, law, science, technical training, and the study of languages, not including dictionaries. Scripture and prayer cards, and religious pictures and mottoes, not to include frames; books, bound or unbound, which have been actually printed and manufactured more than twelve years, manuscripts, insurance maps, freight rates, passenger rates and timetables issued by transportation companies abroad and relating to transportation outside of Canada, in book or in pamphlet form	Free	Free	Free
172b	Prayer books, missals, psalters, religious pictures and mottoes, not to include frames	Free	Free	Free
173	Books which are included in the curriculum of any university, college or school in Canada for use as text books or as works of reference, not to include dictionaries; printed books, pamphlets and cards for use in schools to test the degree of intelligence of pupils; all books for bona fide libraries, and being the property of the organized authorities of such libraries and not in any case the property of individuals or business concerns, under such regulations as may be prescribed by the minister; directories for free reference libraries; books received from free lending libraries abroad, subject to return under customs supervision within sixty days	Free	Free	Free
708a	(1) Publications of the United Nations or any of its specialized agencies	Free	Free	Free
	(2) Publications of the North Atlantic Treaty Organization or any of its specialized agencies	Free	Free	Free

5. (a) No separate statistics are maintained of sales tax collected on individual commodities.

(b) The total amount of duty collected during the calendar year 1951 for importations under tariff items 169 and 171 is $615,194. (See answer to No. 3 above).

6 and 7. This is a matter of government policy.

[Mr. McCann.]

RADIO PROGRAM—"THE DOCTORS' VIEWPOINT"

Mr. Pearkes:

1. Has an application been received by the Canadian Broadcasting Corporation from the British Columbia division of the Canadian Medical Association for the presentation of a radio program entitled, "The Doctors' Viewpoint", so that the listening public might be informed on health affairs?

2. If so, was the application approved? If not, for what reason?

Mr. McCann:

1. A request was received by the C.B.C. from the British Columbia division of the Canadian Medical Association for the presentation of its radio program entitled "The Doctors' Viewpoint" on the Prince Rupert station.

2. The request has been approved for the carrying of the program on this station.

UNEMPLOYMENT INSURANCE FUND

Mr. Knowles:

1. What is the total amount of money now in the unemployment insurance fund?

2. What was the total amount in the fund one year ago; two years ago; five years ago; ten years ago?

3. Has consideration been given by the government or by the unemployment insurance commission to the size of the fund, as to whether it is overfunded, or too large? If so, what is the result of such consideration?

4. Has consideration been given to increasing the benefits available to those insured under the fund? If so, what is the result of such consideration?

Mr. Cote (Verdun-La Salle):

1. January 31, 1953: $862,371,504.10.

2. (a) January 31, 1952: $776,134,110.49; (b) January 31, 1951: $654,051,465.58; (c) January 31, 1948: $435,682,436.15; (d) January 31, 1943: $101,471,458.29.

3. Annually, in accordance with the statute, the unemployment insurance advisory committee has reported on the status of the unemployment insurance fund. Extracts from the last three reports of the committee are as follows:

1950. While a great deal of valuable information has been accumulated over the past nine years, the period of the war and the ensuing years of very high employment do not appear to the committee a period likely to be sufficiently representative to yield dependable results on which to judge the future workings of the fund.

1951. The fact that so large a proportion of the contributions was required to meet the benefit payments in a year of high employment shows that there may not be an unduly large margin for bad years. It is reassuring, therefore, that as a result of the sustained high level of employment ever since the act came into effect the fund provides a substantial reserve against adverse conditions.

1952. The committee reports that the unemployment insurance fund, in its judgment, is in a sound position.

4. When the act came into force in 1940, the maximum weekly benefit was $14.40. On the recommendation of the unemployment insurance commission and the advisory committee, the rates have been increased by amendments to the act in 1948, 1950 and 1952, and the maximum weekly benefit is now $24. Supplementary benefits were introduced in 1950 and a number of other amendments have been made from time to time, such as the reduction in the waiting period, which have tended to increase the benefits available.

R.C.A.F. ACCOUNTS OFFICER, TORONTO—SENTENCE

Mr. Adamson:

1. What sentence was imposed on the Royal Canadian Air Force accounts officer who pleaded guilty to absconding $14,000 from the Eglinton station, in Toronto?

2. Was this sentence imposed by a civil court?

3. If the sentence was imposed by a military court martial, has it been confirmed?

4. Will the entire sentence be served in a civil institution or just that portion remaining after the sentence is confirmed?

5. By whom are these accounts officers bonded?

6. Has the bonding company repaid the loss?

7. Is the bonding company a private company or a government agency?

Mr. Campney:

1. The officer was sentenced to be cashiered and to undergo imprisonment with hard labour for six (6) months.

2. The sentence was imposed by a general court martial convened by the air officer commanding, air defence command.

3. The finding and sentence of the court were confirmed without alteration by the governor in council by order in council P.C. 1953-151 dated 5 February, 1953.

4. The portion remaining after the sentence is confirmed will be served in a civil institution.

5. Accounts officers are "public officers" for the purpose of the public officers guarantee regulations as approved by treasury board minute TB426150 dated 17 April, 1952, and defalcations are recoverable from the public officers guarantee account.

6. The treasury board has been notified of the net amount of the loss, but recovery has not yet been effected.

7. The public officers guarantee account is established as an account in the consolidated revenue fund which is administered by the Department of Finance.

R.C.A.F. PERSONNEL, NORTH BAY—SENTENCES

Mr. Adamson:

1. What sentence was imposed on the air force personnel who were convicted of stealing $8,000 from the Royal Canadian Air Force station, at North Bay?
2. How many airmen were convicted?
3. Were these airmen bonded?

Mr. Campney:

1. Each airman received a sentence of imprisonment for 12 months definite and 3 months indefinite.

2. Three airmen were tried and convicted.

3. No. Only personnel employed in the accounts branch are bonded. These airmen were all technical tradesmen.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ARTILLERY RANGE, TRACADIE, N.B.

Mr. Robichaud:

1. What is the total amount which has been expended to date on, or in any way concerning the Tracadie, New Brunswick, artillery range?
2. What have been the annual amounts expended on, or in any way concerning the said artillery range, in each and every year, from and including the year of its inception, to and including the year 1952?
3. What was the cost of maintenance and supervision of the said artillery range, in each and every year, from and including the year of its inception, to and including the year 1952?
4. What are the names and addresses of suppliers, caretakers and other employees of the said artillery range, appearing on the payrolls or accounts, in each and every year, since the erection of the said artillery range, to and including the year 1952?
5. What amount or amounts have been paid to each such supplier, caretaker and employee, during the above mentioned years?
6. To what extent was the said artillery range used by the Department of National Defence, in each and every year since 1945 to and including the year 1952, showing (a) date and length of training periods in each of the above mentioned years; (b) name of units participating in such training periods, with number of officers, N.C.O.'s and men in each case?
7. Has the said artillery range been utilized to its full extent since 1945?
8. Was the said artillery range and surrounding vast area of available land considered by the Department of National Defence, as an appropriate and suitable location for the proposed military training camp to be set up in the province of New Brunswick?
9. If so, what reasons have determined the Department of National Defence to select Gagetown, New Brunswick, as the site for the said camp in preference to the already established artillery range at Tracadie?
10. If not, what are the reasons why the said artillery range was never considered as a possible site?

Mr. Campney: Mr. Speaker, not only does the answer to this question entail a vast amount of research and compilation, but a good deal of the information in the earlier years covered by the question is not available. If the hon. member would limit the time back to which his question goes, to 1948, I would move that it be made an order for return with that amendment.

Mr. Robichaud: I am quite satisfied to do that.

Mr. Speaker: Order for return, in accordance with the remarks of the Associate Minister of National Defence.

PETAWAWA CAMP—INVESTIGATIONS AND PROSECUTIONS

Mr. Wright:

What were the costs to the government of the investigations and prosecutions at Petawawa military camp in (a) investigations; (b) police costs; (c) court costs; (d) legal fees; (e) any other costs?

GOVERNMENT PURCHASES OF PROPERTIES ABROAD

Mr. Macdonnell (Greenwood):

1. What properties abroad, if any, have been purchased by the Canadian government since January 1, 1950, indicating the purpose for which the property was purchased and the total cost in each case?
2. What has been the nature and total of expenditures to date in each case since property purchased?

INTERNATIONAL CONFERENCES, COMMISSIONS, ETC.

Mr. Macdonnell (Greenwood):

1. At what international conferences, commissions, committees or meetings, indicating auspices and location, was Canada represented during each of the calendar years 1951 and 1952, other than conferences or meetings where Canada is represented by a permanent member?
2. What was the date, duration and total cost to Canada of each conference, commission, meeting or committee on which Canada was represented during the calendar years 1951 and 1952?

RENTED PROPERTIES SUBLET BY GOVERNMENT

Mr. Macdonnell (Greenwood):

1. How many properties or portions of properties under rent by any branch of the Canadian government during the years 1950, 1951 and 1952 were sublet to other than branches of the federal government, to whom and at what rate of rental in each case?
2. Where are these properties located?
3. What is the rental paid by the government in each case and from whom was the property rented?

GOVERNMENT POSTS ABROAD

Mr. Macdonnell (Greenwood):

1. How many government posts were maintained abroad by Canada, indicating the nature of the post and under which department of government, in each of the calendar years 1951 and 1952?
2. What were the total costs for these services?
3. What were the total costs attributable to (a) salaries; (b) travelling and moving expenses; (c) entertainment account; (d) maintenance of property and offices?

CANNED FISH

Mr. Carroll:

1. How many fish canning operations are there in the maritime provinces apart from lobster, sardines and salmon?
2. Where are they located?
3. What amount of canned fish apart from the above was imported into Canada in 1951 and what customs duties were collected thereon?
4. How much was imported into the maritime provinces excluding Newfoundland?
5. Are any such canning operations carried on in the province of Newfoundland?

WAINWRIGHT MILITARY CAMP—BUILDINGS AND FACILITIES

Mr. Fair:

1. What is the estimated training capacity of the Wainwright military camp?
2. Is the camp a permanent institution?
3. What amount has been spent to date on (a) construction of buildings; (b) installation of water and sewer facilities; (c) airport accommodation in the main camp?
4. Have any buildings been erected for the accommodation of (a) married personnel; (b) permanent officers and workers at the camp, in or near the town of Wainwright?
5. If so, what is the number and the cost of such buildings and equipment?
6. Has any accommodation been provided by way of school buildings, furnishings, and teachers to take care of the children of servicemen training at the camp?
7. If so, what does such accommodation consist of?
8. If not, for what reason?

MOTIONS FOR PAPERS

NATIONAL DEFENCE, PRAIRIE COMMAND—SHORTAGES, ETC.

Mr. Diefenbaker:

For a copy of all reports made to the Department of National Defence regarding (a) shortages; (b) waste and extravagant spending, in connection with defence projects and supplies in the prairie command, since the 1st day of October, 1952, to date.

Mr. Claxton: We would be glad to have this passed, subject to the usual qualifications regarding privileged communications.

Mr. Diefenbaker: Mr. Speaker, I think that should be clarified, as to what privileged communications are in connection with this matter. I told the associate minister what I had in mind. I was not asking for a police report. I am asking for a report of investigations that took place in November and December in connection with the project to which I made reference.

Mr. Claxton: The hon. member says he is not asking for a police report, but also there are reports made by service police and other service personnel having the same position as police reports.

Mr. Speaker: Agreed, subject to the statement of the Minister of National Defence.

LOWER CARAQUET, N.B.—PUBLIC WHARF

Mr. Robichaud:

For a copy of all correspondence, from the 1st of January, 1945 to date, between the district engineer's office of the department of public works, Saint John, New Brunswick, the Department of Public Works, Ottawa, and any person or persons whatsoever, with reference to any addition, protection work or repair to the public wharf at Lower Caraquet, New Brunswick, also for a copy of all reports, investigations and/or surveys, if any, made by any member of the Saint John, New Brunswick, district engineer's office or of the Department of Public Works at Ottawa, in any way concerning or relating to the said wharf, from 1945, to date.

Mr. Fournier (Hull): Mr. Speaker, I have no objection to the first part of the motion up to the seventh line, the words "New Brunswick" being the last words. But we cannot agree to the words—

—also for a copy of all reports, investigations and/or surveys, if any, made by any member of the Saint John, New Brunswick, district engineer's office or of the Department of Public Works at Ottawa, in any way concerning or relating to the said wharf, from 1945, to date.

Those reports are prepared for the information of the minister, so that he may make his decision. He becomes responsible for that decision, and never shirks that responsibility. But we never bring in those officials who advise the minister in these matters.

LABOUR CONDITIONS

GRAIN HANDLERS' STRIKE—REQUEST FOR INFORMATION CONCERNING SETTLEMENT

On the orders of the day:

Mr. J. I. Hetland (Humboldt): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Labour. Would he make a further statement at this time regarding the grain handlers' strike at Vancouver?

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I should like to thank the hon. member for having given notice of his question. In reply I must say that unfortunately there is nothing I can add at this time to the statement I made yesterday. I could say that the deputy minister of labour had his latest contact with the situation through telephone conversations with Vancouver this morning at nine o'clock Pacific time.

Before concluding I should like to assure hon. members that no effort will be spared within the scope of the potentialities of the department to hasten a satisfactory settlement of this dispute.

Inquiries of the Ministry

INQUIRY FOR RETURNS

CF-100 AIRCRAFT—ORENDA JET ENGINE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I inquire of the Minister of Defence Production or his parliamentary assistant as to the progress being made in connection with two questions passed as orders for returns on January 28, 1953, dealing with the CF-100 and the Orenda jet engine. When may I expect to have the returns tabled?

Right Hon. C. D. Howe (Minister of Defence Production): Surely the information the hon. member has asked for was given in my statement made in the house on Monday last. I do not think we can break the situation down piecemeal. I have given all the pertinent facts, and I am prepared to give any more overriding facts. I do not know what information the questions specifically asked for, but I would assume that they were answered.

Mr. Fulton: The orders were passed on January 28, and were not covered by the minister's statement made two days ago. I drew his attention to that fact just after he made his statement, pointing out that I hoped it would not be considered that his statement contained a reply to the questions in those two orders. When the minister looks at the record for January 28, I think he will agree that the answers are by no means covered by his statement.

EXTERNAL AFFAIRS

TRANSFER OF DIRECTOR OF FILM BOARD TO DIPLOMATIC POST

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of Resources and Development. On April 4, 1950, I asked him if an embassy post was to be given to Mr. Irwin, the director of the national film board, within three years. At that time both the Minister of National Revenue (Mr. McCann) and the Minister of Resources and Development said no. Now I would like to ask the minister if Mr. Irwin is resigning from the national film board. If so, has his appointment been made or is it being made as high commissioner to Australia?

Hon. Robert H. Winters (Minister of Resources and Development): The hon. member was good enough to give me notice of his intention to ask a question. In reply I would say that my answer to his earlier question in 1950 was correct at that time.

[Mr. Cote (Verdun-La Salle).]

Mr. Irwin was first appointed commissioner of the national film board on February 1, 1950. He was reappointed on February 1, 1952. Since his appointment he has given outstanding service, which has been reflected in the work of the film board itself. He has those qualities of outstanding administrative ability, vigour and imagination which are so necessary for anyone in his present capacity.

However, an opportunity has presented itself for Mr. Irwin to continue his public service in another and broader field. This is a matter which my colleague, the Secretary of State for External Affairs (Mr. Pearson) has had under discussion with me for some weeks now. As a result the government has asked Mr. Irwin to represent Canada in one of the nations of the commonwealth, and my colleague has authorized me to say that he will be appointed high commissioner to Australia.

Mr. Fraser: May I ask the minister if the plum tree was planted when he was appointed director of the film board?

Mr. Abbott: No plum trees around here.

ATOMIC ENERGY

INQUIRY AS TO PRODUCTION OF COBALT BOMBS

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to direct an inquiry to the Right Hon. Minister of Trade and Commerce. During the debate on the setting up of the atomic energy committee the minister made reference to the cobalt bomb. In this connection I should like to ask the minister, in view of the greatly increased use of this bomb for medical purposes, principally in connection with cancer, if he can give the house any more information as to the progress that is being made in its production and how soon it is expected that a sufficient supply will be available to meet the requirements of the principal hospitals in Canada.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Cobalt 60 is being produced as fast as the operation of the pile at Chalk River will permit. As I said yesterday six bombs have been built already and two more are practically finished. Others will be built just as rapidly as production will permit. If the interest is in a particular project and those anxious to acquire equipment would care to take up their problem with the man in charge of that branch of the work at Atomic Energy of Canada Limited, I am sure he would give them an approximate date as to when their requirements could be fulfilled.

FISHERIES

STORM DAMAGE IN NEWFOUNDLAND

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to ask the Minister of Fisheries if any decision has yet been taken regarding compensation for the losses suffered by the fishermen of Newfoundland during the storms last fall.

Hon. James Sinclair (Minister of Fisheries): A similar question was asked by the hon. member for Burin-Burgeo (Mr. Carter) on December 4 and the answer given at that time was that this was primarily a matter for provincial responsibility and so far we had received no request from the provincial government. To date we have still not received any request from the provincial government.

POSTAL SERVICE

PORT CREDIT—LAKEVIEW—DOOR TO DOOR SERVICE

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to ask the Postmaster General if he can report any progress with respect to the institution of door to door mail delivery service in Port Credit and Lakeview.

Hon. Alcide Cote (Postmaster General): May I first thank my hon. friend for having given me notice of his question. As my hon. friend was informed on January 15, the result of the inquiry held was that only 68 per cent of the population have so far installed the necessary receptacles for the inauguration of this service. According to the postal regulations 90 per cent of the population must provide such receptacles before a service is given. However, a new survey will be made at the beginning of March.

Mr. Graydon: May I point out that this matter was under discussion during the debate on the Post Office Department and I thought the minister was going to make some further move in connection with the survey.

Mr. Cote (St. Jean-Iberville-Napierville): If the proper receptacles are not provided, we cannot give a service. It is up to my hon. friend to co-operate and tell these people to provide the necessary receptacles. As soon as the required proportion have done so we will be only too glad to start the service.

Mr. Graydon: If that were the whole story it would be all right, but it is not.

COAL

REFERENCE TO ANSWER IN SESSIONAL PAPER NO. 77A

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I rise at this time on a question of privilege in connection with an answer contained in sessional paper No. 77A, brought down on February 4. This answer was provided by the Department of National Revenue and it is completely in error. Question No. 4 was as follows:

> What are the names of the companies in Canada who import American coal?

The answer was as follows:

> It is contrary to the practice of this department to furnish information which would disclose the private transactions of importers or exporters at customs.

I think the minister will agree that that answer is completely in error. I am not asking for the details of the business of importers or exporters, I merely ask for the names of companies in Canada that import United States coal. I wonder if the minister would be good enough to amend that answer and give me the information asked for. I think it is a complete evasion of the question. I did not ask that question for fun; I had a good reason for asking it. I should like the minister to tell me now if he will undertake to amend the answer, or should I put the question again on the order paper for a proper answer?

Hon. J. J. McCann (Minister of National Revenue): I submit that under the circumstances the answer is a proper one. It has been the custom to provide information as to the quantities of imports or exports, but not the names of individuals making those importations or exportations.

Mr. Gillis: That is not an answer. I did not ask for either the quantities, the qualities or the details of any business transactions. I merely asked for the names of the companies.

Mr. McCann: It is not in the public interest to divulge the private business of people. We never give names.

An hon. Member: Oh, no?

Mr. Speaker: I do not think I can allow any further debate on the question at this time.

EMERGENCY POWERS ACT

INQUIRY AS TO ORDERS IN COUNCIL PASSED

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Prime Minister if any

order in council has been passed in recent days under the Emergency Powers Act which has not yet been tabled in the house?

Right Hon. L. S. St. Laurent (Prime Minister): I would be very much surprised if there were any. I do not know of any that have been passed within weeks, but I shall make inquiry and bring down a positive answer.

Mr. Fleming: Is the Prime Minister aware of the reference in yesterday's press to some such order?

Mr. St. Laurent: No, I have not seen anything, except a reference to one passed several weeks or perhaps several months ago. There was an order passed granting authority to the Minister of Transport (Mr. Chevrier) to cancel radio licences for pilots of aeroplanes or to cancel the licence of the pilot himself for security reasons, but that order was included in the summaries produced here.

POST OFFICE

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. L. E. Cardiff (Huron North): I should like to ask the Postmaster General if any progress has been made in setting up the committee of the house with regard to the Post Office Department.

Hon. Alcide Coté (Postmaster General): We hope we will soon have the second reading of the bill, and then the committee will be set up to study the whole matter.

FARM IMPROVEMENT LOANS ACT

PROVISION TO EXTEND OPERATION FOR A FURTHER PERIOD, ETC.

The house resumed, from Tuesday, February 17, consideration in committee of the following resolution—Mr. Abbott—Mr. Beaudoin in the chair:

That it is expedient to bring in a measure to amend the Farm Improvement Loans Act, 1944, to extend its operation for a further period by closing out on March 31, 1953, in lieu of February 28, 1954, the present three year pool of loans guaranteed by the government under the act and by providing for a new three year pool commencing April 1, 1953, and ending March 31, 1956; to provide further that the maximum amount of bank loans made in the new period and guaranteed under the act shall be three hundred million dollars.

Mr. Lesage: Mr. Chairman, when we adjourned last night the hon. member for Assiniboia had asked me if the last table that I had placed on *Hansard* dealt only with single loans. The answer is yes. When the hon. member for Assiniboia interjected his question I was in the course of answering a question asked by the hon. member for Souris, who had inquired if consideration had been given by the government to increasing the ceiling of $3,000 on farm improvement loans. I said that consideration had been given, but it had not been felt that the pressure was such as to warrant an increase at this time. I pointed out when placing on *Hansard* the table giving the number of maximum loans since the inception of the act that those loans represented only 2 per cent of the total loans made. I may add that in the first nine months of operation in 1952 the average loan was $1,180. May I also say that I know farmers quite well. I represent a farming constituency, and I have learned that whenever farmers have complaints or representations to make they usually voice them quite readily. According to my information, no individual farmer and no farmers' associations have made representations either to those administering the act or to the Department of Finance asking for an increase in the ceiling of $3,000.

I believe it is important to remember that the principle of the Farm Improvement Loans Act is to provide the average farmer with credit facilities for intermediate and short term loans. For longer term loans—the hon. member for Souris said yesterday up to $10,000—the facilities of the farm loan board are available to them. Moreover, there are other institutions in the provinces which look after credit for farmers.

Mr. Cardiff: Is there any limitation on age?

Mr. Lesage: No.

Mr. Charlton: What has been done by the government to acquaint farmers in the east with the possibility of obtaining money by way of loan from the government under the Farm Improvement Loans Act?

Mr. Lesage: Farmers in the east should be as well aware of the facilities available under the act as farmers in the west. When I made my statement last night I gave what were in my opinion the reasons why farmers in the east have not in the past made use of the facilities available under the act as much as farmers in the west. I also added that farmers in the east were using them more and more as they heard about the facilities and as they became aware of the existence of the act. But there will always be the fundamental difference that farms in the west are newer, that farmers of the west require more expensive farm machinery than eastern farmers, and that farms in the east are smaller and much older. Farms in the east have been operated for 100, 200 or 300

years. There are many more relatively new farms in the west which require the buying of more machinery, and more expensive machinery.

Mr. Browne (St. John's West): Following up the question which my colleague asked the parliamentary assistant, I should like to know if any efforts are made on behalf of either the Department of Finance or the Department of Agriculture to draw the attention of the farmers of Newfoundland to the benefits that are available. In looking over the list here I find that in 1949 not one loan was made in Newfoundland under this act. I believe that the only publicity that has been given the act in Newfoundland is the publicity that I have given it. I have been trying to tell the people there of the benefits they can get under this legislation. But they were up against the fact that the bankers themselves were not familiar with the legislation and shied clear of it. If you look at the figures, you will see that it was not until last year that any substantial amount was loaned.

Since January 1, 1951, there have been thirty-three loans made in Newfoundland. Thirty of them were in 1952. In 1950 there were only two loans of less than $1,000. In 1951 there were only three, and the total amount loaned in Newfoundland up to date is only $41,000 out of an over-all total of $337 million up to the end of 1952. It seems to me that someone is slipping up there. There is not much good in having legislation for the benefit of two or three provinces. Every province should receive the benefit of it. Inasmuch as Newfoundland has come into confederation and the people of Newfoundland have not received the benefit of the publicity that the people of western Canada get, it seems to me that some special effort should be made to draw these things to their attention.

I have in my hand several of the booklets that have been issued by the Department of Finance. One is entitled "Your Invisible Farmhand". It is an illustrated booklet showing farmers how they can get assistance to improve their homes. Another is entitled "What the Western Dailies Say About the Farm Improvement Loans Act". It contains extracts from different papers in the prairie provinces in 1945 praising this legislation. Then there is one entitled "Farm Improvement Loans". It is an illustrated pamphlet showing all the different purposes for which loans can be had and all the details concerning them. I should like to know if the parliamentary assistant is in a position to tell me how much of this literature has been circulated in Newfoundland. What efforts have really been made to draw the provisions of the act and the benefits that can be obtained under it to the attention of the farmers of Newfoundland?

Mr. Lesage: Quite a few pamphlets outlining the advantages of the act have been published by the Department of Finance. They are available at the request of bank managers all over the country. The head offices of the banks see to it that their branches get the publicity. I do not know how it is in Newfoundland. These pamphlets are at the disposal of the bank managers and the farmers themselves. According to my information the best publicity has been given—I will take my own constituency, if you wish, where the number of loans increased sharply in the last years—by dealers in farm implements, farm tractors and so on, who have convinced their clients that it is a very good way to obtain credit to pay for farm implements, trucks and tractors.

The hon. member is surprised that there has not been a larger amount of loans in Newfoundland. We must not forget that according to the 1951 census there are only 3,626 farms in Newfoundland, and out of that total 2,840 are operated by part-time farmers or are farms where the value of the products sold is less than $250 a year. Of the balance of 786 farms, 583 are such that the value of the products sold is less than $2,500 a year. That leaves in the whole of Newfoundland only 203 farms, the products of which sold for more than $2,500 in 1951.

I have never had the advantage of visiting Newfoundland but I understand that the principal occupation there is fishing. I understand that many fishermen have small pieces of land and are part-time farmers, but their main occupation is not farming. Therefore when you take into account the fact that there are only slightly over 200 farms which yield an income of more than $2,500 a year, it is not surprising that the amount and the number of loans have been so low.

Mr. Browne (St. John's West): The point I am making is that if we are so backward in the development of our land—

Mr. Lesage: No, I never said that the province of Newfoundland was backward. What I said was that farming was not the most important occupation in Newfoundland, which is quite different.

Mr. Browne (St. John's West): The point is that our people as well as the people of other provinces deposit money in the savings banks. I do not know what the figures are. Has the parliamentary assistant the figures

as to how much money is deposited in the branches of banks in Newfoundland?

Mr. Lesage: No, sir, I have not that information available at this time.

Mr. Browne (St. John's West): Approximately $350 million has been lent, and only $40,000 has been lent in Newfoundland. This is a very insignificant amount of money and I do not think it would purchase one farm of any size in western Canada. What I am trying to stress—I am glad the Minister of Agriculture is here and I wish he would listen to what I am going to say—is that in Newfoundland you have to build up the farmers and draw attention to these benefits. The parliamentary assistant says that information has gone to the bank managers. I have been talking to the bank managers, and, as I said at the beginning, most of the publicity given to this measure in Newfoundland has been given by me.

There are still many farmers who do not realize that this piece of legislation is on the statute books at all and that loans can be made. There is another point I wish to make, and perhaps the parliamentary assistant can answer it. Some farmers tell me that they can make just as good a deal through the sellers of agricultural equipment. Is that correct? I am told that they get the same terms from the dealer as they can get from the bank.

Mr. Lesage: If they can do that now, then it is a very good thing and the act has had that added benefit. Before the introduction of the act I understand that if a farmer wanted to finance a loan on a farm truck the rate of interest was around 15 per cent or more, and for farm implements it was around 8 per cent or more. If, as my hon. friend says, since the inception of the act the same conditions can be obtained from ordinary sources of credit as can be obtained under the act, so much the better; that is another advantage that has accrued from it.

Mr. Browne (St. John's West): I notice that 90 per cent of this money has been lent for the purchase of tractors, combines and machinery of that kind. Is there any special reason for that? Has that feature of the benefits of the act been stressed more than the actual improvement of the farm as set out in the illustrated booklet in which the stress is put on improvements within the home itself by the introduction of electrical facilities and so on?

Mr. Lesage: So far as the department is concerned there has been no more stress put on loans for agricultural implements than on loans for improvement of the farm itself.

[Mr. Browne (St. John's West).]

What I said a few moments ago applies here. I told my hon. friend that a lot of advertising had been put out by the dealers of farm implements, farm trucks or tractors, concerning the advantages of using the facilities of the act, and that had been used as a selling point.

Mr. Jutras: Just on that point, I think it follows from the nature and purpose of the act that, particularly in western Canada, the greatest benefit of this measure would come from the financing of farm machinery. This is exactly the way the development has occurred in the west. I want to take this opportunity of joining with others to say that, in my estimation, this scheme is the best one ever devised in a great many years. It has had a great effect on agriculture throughout the western provinces. This measure has contributed to the peace of mind of the farmers, and has contributed greatly to the security of the farmers.

I believe it would be fair to say that this legislation was devised primarily for the purpose of assisting farmers in securing machinery and equipment. It will be recalled that some years ago there was an investigation into the cost of farm machinery. Before this measure came into being the implement companies had to have their own credit organizations. There were a number of collectors attached to these organizations, who had to go throughout the country visiting the farmers individually before the crop was harvested to make sure when it would be harvested. Then, a second trip was necessary when the crop was harvested so the collector would be the first one to get the money. Really, these people were chasing the farmers up and down the country continuously. Naturally this was a costly procedure for them, and they had to charge from 7 per cent to 12 per cent interest on the money that they were advancing to the farmer to purchase machinery. This proved to be a costly operation for the farmer.

Now, when this system came into being the farmer was able to go to the bank and secure a loan at 5 per cent. He could pay cash for the farm implements, so that from then on he had nothing more to do with the equipment company. When he sold his grain he got his money, went to the bank, and paid what he owed the bank and that was the end of it. In this respect, the act has been of great benefit to the farmers. In passing, I might say that I feel this measure is a living memorial to the late Dr. Clark. I think it is to the credit of this government as well that they had the vision to recognize the merit of this proposition, and the courage to put it into force.

It is obvious that in western Canada the main purpose of this act is to enable loans to be secured for farm implements. In the last annual report for which we have complete figures, we find that 92 per cent of the money lent under this act was for financing the purchase of farm implements, and this amounted to $78 million. It is interesting to note that this $78 million represented a credit of $137 million in farm equipment. As the parliamentary assistant pointed out last night, it is estimated that that represents 45 per cent of all the new farm trucks purchased and 60 per cent of all the new combines purchased, so that one can see that the act has a great bearing on financing in western Canada.

At this point I should like to say something about the risk in agriculture. For some years past farmers have not been considered a good risk. I believe that this report provides a glowing tribute to the farmer, and shows clearly that he has been careful about his debts. It shows he has been faithful to his obligations. During the first year of operation there were no losses to the government at all. During the second and third years there were no losses to the country. During the last complete year for which we have figures, 1951, there were eighteen claims made on the government totalling about $6,000; that is eighteen claims out of 75,000 loans and $6,000 claimed out of $85 million lent. It is interesting to note that since the inception of the act there have been 54 claims out of 248,000 loans, with a loss to the government of $26,000 out of a total of $255 million lent. You can see that this measure has cost the country very little and has unlocked a great source of credit.

As we have seen, in the case of farm machinery, the loans of $78 million represented $137 million, so that by the same token it could almost be said that for this slight cost we have put practically a half billion dollars at the disposal of agriculture.

I just want to say a word on the question raised by the hon. member for Souris; I refer to the question of increasing the maximum of $3,000. As the parliamentary assistant has pointed out, there does not appear to be great pressure to have the $3,000 increased. According to the figures tabled, for instance those in Manitoba who have availed themselves of the total loan of $3,000 since the inception of the act amount to approximately 700 out of a total of 44,000. There therefore does not seem to be great pressure on the ceiling. Personally I must confess that I have never had any demands for it, and I do not know of any farm organization which has raised the question. There may be a case for it but at the present time I am not aware of it.

But there is one thing that I think we should not lose track of and about which we should be careful in our consideration of this act. We have a good act. We have one that is doing a wonderful job and is serving a definite purpose. I think we should be careful not to attempt to stretch it to do something it was not meant to do. For instance, it was never meant to replace what the Canadian Farm Loan Act, for instance, has been set up to do. These two pieces of legislation should be made to go together and to supplement one another. We should be careful that we do not do anything whereby one will supersede the other.

As I said, the act as it is now has been most successful. It has done a wonderful job. There may be a case for increasing the ceiling, but I do not think there is a great case for it at the moment. Before we increase the ceiling my suggestion is that we be extremely careful that we do not weaken the act by attempting to make it do too much. It was made to do a job, and it is doing it. Let us be sure that we keep it that way.

Mr. Thatcher: In my constituency, Mr. Chairman, this is fairly important legislation. Most farmers feel that it is good legislation; but I think they also feel that it does not go far enough. As the parliamentary assistant has pointed out, its main purpose is to provide credit facilities for farmers. It is an unfortunate fact that in Canada most farmers cannot avail themselves of the ordinary credit facilities which most of us have—such as loan companies, finance companies and so on—because these credit companies seem to feel that lending to farmers involves risks that are too great. Thus there is today a real gap in credit facilities for agriculture.

As I understand it, this legislation is going to do two things; I refer to the new amendments. First of all, it is going to extend the act to March 31, 1956. Second, it is going to increase the amount which the government is guaranteeing to the banks from $200 million to $300 million.

Mr. Lesage: No.

Mr. Thatcher: If the parliamentary assistant wishes to correct me, I should be glad to allow him to do so.

Mr. Lesage: No; it is not an increase from $200 million to $300 million. It creates a new period from April 1, 1953, to March 31, 1956. The new amount which will be at the disposal of the farmers is an initial $300 million.

Mr. Thatcher: I understand. That is now clear. But the criticism which we in this group have of the legislation is that we still feel even when it is passed, and even with the existence of the Canadian farm loan board and everything else, it still falls short of meeting the credit needs of Canadian agriculture. We still think that many farmers are not going to be able to get the credit they need. We suggest that there are several steps which could be taken to strengthen this legislation.

As every hon. member knows, in recent years there has been a drift of farmers away from the farms into the city. That situation has been caused by a number of factors. One of the main ones is that young farmers are finding it harder and harder to get together adequate capital with which to finance farm operations. If they are young farmers starting out, they find that the price of land is extremely high; the price of machinery has skyrocketed; the price of livestock is out of reach. If they are established farmers and want to expand their operations they find it extremely difficult to get capital.

We think there are three or four steps that could be taken to make this legislation more effective. In the first place, I cannot agree with the hon. member for Provencher when he says that the ceiling on loans should not be increased. We think that the ceiling should be increased from $3,000 to at least $6,000. After all, if you buy a tractor out west today, it costs more than $3,000. One hon. member pointed out last night, I think, that a combine costs about $6,000. Therefore the present ceiling in the act is not practical as far as western farmers are concerned.

The second proposal we would suggest is that the banks lending under the provisions of this act be more liberal. We think they should be more generous in making loans. Quite frequently today farmers who really need money cannot get it. The banks lend money under orthodox banking principles and frequently marginal farmers are considered to be too great a risk. Even where the farmer is a good risk we quite frequently find that the banks will not lend the full $3,000. I think evidence of that fact was given last night by the parliamentary assistant.

An hon. Member: Would you?

Mr. Thatcher: Possibly I would not; but that is the point I am making. Last night the parliamentary assistant said that out of 300,000 loans made only 2 per cent had been for the full $3,000. I think that fact indicates the need for some government guarantee which would permit the banks to extend credit more generously. Possibly the answer would be to increase the guarantee to the banks from 10 per cent to 15 per cent; I do not know.

I think the third step which could be taken under this act is for down payments to be lowered. Down payments on agricultural equipment now are 33⅓ per cent. Perhaps they could be reduced to 20 per cent. On home and building repairs the down payment is 20 per cent. I think possibly that could be reduced to 10 per cent. The time limit of seven years is fairly short if we are going to increase the amount of the loan. Possibly that limit should be extended to ten years.

I suggest that amendments of this kind would not cost the taxpayer any money or, at worst, a very small amount. After all, total losses under the act have been $36,000 in eight years. That is less than $5,000 a year. I therefore believe that we could bring in reforms of this kind, and do it without their costing the taxpayers any additional sums of money. As I say, the main purpose of this act is to create better credit facilities for farmers. Today we have not those credit facilities and we are not going to have them unless the government steps into the field. I suggest that agriculture is far too important in this country to be restricted as it is today by lack of credit.

Mr. Lesage: Mr. Chairman, might I make only one or two observations? Might I draw the attention of the hon. member for Moose Jaw to the fact that on December 31, 1952, there were 28,906 loans in default. One therefore has to be careful before talking about enlarging the facilities under the act. The original amount of those loans was $35,862,886. The present amount owing is $23,977,936. The total amount of arrears is over $12 million.

Mr. Thatcher: Might I draw to the attention of the parliamentary assistant the annual report, page 7, where it is stated that claims paid by the government in 1951 amounted to $6,500.

Mr. Lesage: The total claims paid—I gave the figure last night—amounted to about $38,000 all told, but I am not talking about the claims.

Mr. Thatcher: This is—

Mr. Lesage: The claims are paid by the government to the banks only if the banks have exhausted all means of collection, but I am talking about loans in default at the bank, of people who are late in their payments. That is quite a different thing.

Mr. Thatcher: Am I not correct in stating they have been included in the report?

Mr. Lesage: They have been up until now, but according to some information that we have there have been some loans on livestock, quite a few of them in 1950 and 1951, I believe, for which we might be expected to pay heavier claims. That is why I am talking about loans in default at the present time.

Hon. members talk about the establishment of young farmers on farms. I am not sure that is the responsibility of the federal government. It has something to do with land tenure, which of course is under provincial jurisdiction. Moreover, the provinces have entered into that field. For instance, in my own province of Quebec grants are given to young farmers to establish themselves under the provincial law, and the farm loan board of that province is extending loans to them.

In Ontario the government last year adopted an act to incorporate the Ontario junior farmer establishment loan corporation for the purpose of assisting young farmers. It has been looked upon as the responsibility of the province. My hon. friend, who has great confidence in the government of his own province, might advise his own friends there to put up something.

Mr. Ferrie: The provincial government of Saskatchewan cancelled the act.

Mr. Quelch: I should like to say I am glad to support the measure. We think the legislation has provided a very valuable service to farmers. I think it represents the culmination of demands by farm organizations to have a low rate of interest and in order that the capital borrowed may be repaid over a longer period of time.

Before this legislation came down the banks used to make money available to farmers at 8 per cent, but they lent it for a period of three months only, which would be extended at the end of that period. But it became evident that loans to farmers have to be made over a longer period than three months or six months to meet their needs. This I believe provides for a period of two years, with 30 per cent paid down by the farmer when the machine is bought, and another 30 per cent has to be paid in the fall and the next 30 per cent the year after.

I would agree that in many cases it would help if the ceiling were raised, and also if the period of the payment could be extended. But I notice that the parliamentary assistant points out that it is really not necessary to raise the ceiling because only a very small percentage of the farmers are borrowing up to that amount. Immediately the hon. member for Moose Jaw jumped to the conclusion that the banks will not lend more, but in the area that I represent that is not the case. The banks are anxious to lend just as much as they can under this act, but in many instances the farmers cannot meet the cash payment. That is the trouble; and therefore if they do not have so much cash they have to borrow less in order to pay down 30 per cent. That is the reason in many instances why the farmers are not borrowing more under this legislation.

I will admit that in many cases that has been got around by the machine companies accepting the trade-in as the first payment. They have been very good in doing that. I do not know that that was intended originally under the act; I know it is happening in many cases, where the old machine is accepted as down payment, so actually no cash is paid; but I think all farmers would appreciate it if the period of repayment could be extended another year, because no doubt, if that were done, after a while they would try to get it extended another year. But when you consider the cost of machinery today and the hazards the farmers face—for instance they are apt to run into crop failures owing to hail or one thing and another—repayment over two years would be a great help, although I will admit that when a crop failure does come the banks seem to be quite reasonable, because apparently they have the power to extend it and they grant the extension. I think the act has been working very well. I know that is so in so far as the area I represent is concerned.

Mr. Robichaud: I should like to make a few suggestions on this farm assistance legislation with reference most especially to the very small benefits that have accrued to the junior farmers and settlers in my province of New Brunswick, particularly in my own constituency, within the ambit of the provisions of this act.

I may say at the very outset that I am very much in favour of this act. It may be said that our farmers and our settlers probably do not take the trouble to derive the benefits to which they are entitled under this act. But in answer to this possible objection may I say that I am fully in accord with the remarks of some of the hon. members, particularly the hon. member for St. John's West, who has rightly said—and this situation applies to my province and county—that probably not all the channels of publicity have been explored and taken advantage of by the department concerned.

I heard the parliamentary assistant say—I may be wrong, but I interpreted his remarks in this way—that the main channel of publicity which was being utilized and

exploited by the department was the banks. May I suggest to the parliamentary assistant that in my constituency most of my farmers and settlers are not regular and assiduous patrons of the banks. Moreover, the banks are located or centralized in the town of Bathurst, with branches in Shippigan, Caraquet and Tracadie, and that is the sum total of our banking institutions in the county of Gloucester, which is the largest rural county in the province of New Brunswick, with a population of over 50,000 people. May I suggest to the parliamentary assistant that publicity through our agricultural societies would be in my opinion the best means of reaching the common people, the farmers and the settlers. This of course could be done very easily if the literature or pamphlets were forwarded to the provincial department of agriculture, which would distribute them through the various agricultural societies of our province. I ask the parliamentary assistant whether he could not make arrangements so that I, as the representative of Gloucester county, could receive some of these pamphlets. If I did, I would make a point of distributing them myself where I know they would do the most good.

The reason I rose in my place, Mr. Chairman, was to say a few words about the Farm Improvement Loans Act. When I read the annual report of 1951 I was amazed at the small benefits which accrued to our farmers, and particularly our settlers under this act. I read for instance that in the construction of new houses there was only one loan in the province of New Brunswick out of a total of 587 loans throughout Canada. This one loan appears in schedule "D", and was for $2,000 out of a total of $941,960.35 in 1951.

With respect to repairs and alterations to buildings, the report mentions 23 loans for New Brunswick out of a total of 1,155 throughout Canada, representing an amount of $19,602 for our province as against $1,097,812.39 for the whole of Canada. But what amazed me more particularly was the one single and unique loan made under the provisions of this act in the province of New Brunswick which is reported in schedule "E" for brushing and breaking new land in 1951. We received one loan to an extent of $200 out of a total of 900 loans throughout Canada. That was all we got in New Brunswick, out of a total of $424,397.45. My amazement is based particularly on the fact that in my own province, and especially in my constituency, during the last ten or fifteen years we have had a considerable program of colonization. I venture to say that in the constituency of Gloucester we have probably the best settlers and the best junior farmers in the whole of New Brunswick. These are found in places such as Allardville, D'Aulnay, St. Sauveur, Nicholas Denys, Sormany, and Doucetville.

In those places we have hundreds of young men with families doing exactly those things this act was intended to assist, namely the brushing and breaking of new land. I may be under some misapprehension, but that is my understanding of the purpose of the act. Those young men simply do not know that these benefits are available to them. Hence the submission I made at the outset of my remarks, that more publicity should be given to the benefits our farmers and settlers may derive from this act.

I now return to that one unique loan for $200 for brushing and breaking new land, out of a total, as I said before, of $424,397.45 for the whole of Canada. It seems to me that if proper publicity were given, our junior farmers and settlers might derive from this act the benefits that should be available to them, and that in this way the act would become beneficial. As it is now we do not benefit from it.

It seems to me it was properly pointed out by the parliamentary assistant that in his native province of Quebec there are provisions in the provincial law for grants and loans to settlers and junior farmers. However, there is no such provision in New Brunswick law.

Mr. Lesage: You did not say that in the last provincial election in New Brunswick.

Mr. Robichaud: I certainly did. I blamed the McNair government, and we trimmed his government on that and other points. I blamed them, and I repeat we have not as yet any such provisions in our New Brunswick law. I submit therefore that if more publicity were given to this very beneficial provision our junior farmers and younger settlers would derive the full benefits of the act. Let me repeat what I said a few moments ago, that if it were possible for me as the federal member from Gloucester county—the member for the time being, at any rate—to obtain these pamphlets and literature in quantities from the department, I would promise to be the distribution agency and would see that they reached those junior farmers and settlers.

Mr. Lesage: We will be pleased to hand to the hon. member for Gloucester the pamphlets he wishes to have, if he will but tell us the number required. However, it would be useless to hand them to settlers because this act is not for settlers; it is for farmers. Colonization is a provincial matter

under provincial jurisdiction, and my hon. friend knows that as well as I do. He should know, if he does not.

So far as the number of farmers in New Brunswick is concerned, the 1951 census figures show that, of a total of 26,000 farms in that province, 14,766 are exploited by part-time farmers, or are farms where the value of products sold is less than $250. There were 8,349 farms the products of which sold at less than $2,500 each. There were only 2,200 farms on which products sold to a value of more than $2,500. This is at least one reason why the act has not been used to a greater extent in that province; there is a great number of part-time farmers and settlers who do not use the facilities under the act.

Mr. Robichaud: There is one point I should like to clarify. I can assure the parliamentary assistant that I am well aware of the laws in New Brunswick governing colonization, but I would point out, as he well knows, that all our farmers today, both in his province and mine, were *ab initio* settlers. I agree of course with the statistics he has placed on record, but I would suggest that they are only for income tax purposes.

Mr. Lesage: Oh, no; those are census figures.

Mr. Gauthier (Portneuf): Mr. Chairman, may I say something about this measure, upon which I congratulate the department. May I add that I am pleased to see the hon. member for Montmagny-L'Islet piloting this measure so ably.

I listened to the hon. member for St. John's West and the hon. member for Gloucester making reference to the lack of publicity given to this law. I would point out to them that in a democracy it is the duty of everyone to help publicize the law. I was going to say to those hon. members that, even though they are on the opposition side, it is their duty to do their share by way of publicity in their counties, as I do in mine, despite the fact that they do not support the government.

Dealers in farm implements are giving a great deal of publicity to this law, and I know that in my county many farmers have benefited from its advantages. The hon. member for Gloucester has complained about the small number of loans in his county. He should keep in mind that in his province, as well as in Ontario and Quebec, most of the farms are what we would call family farms. They have passed from the fathers to the sons and, on a high average, would run from 150 to 200 acres. In three of the four western provinces the acreages are much larger. In Saskatchewan, Alberta and Manitoba we do not find the number of small family farms that we find in the provinces I have just referred to. I have the statistics of the last census to prove my contention.

If members of parliament will do their duty, if the banks will carry out their function and if the agricultural organizations will do their part, I think more publicity could be given to this measure. I know if that were done there would be more loans in my province in the next year. I am sure this extension will be approved by hon. members, and I submit that farmers should be made aware of what they can obtain under this act. The speeches which have been delivered in this house and the statements made in the press along with the incentive given by all good democrats on both sides of the house in their respective counties will do much to increase the scope of this legislation.

Only 10,000 loans have been issued in my province where there are 134,336 farms. I repeat that more publicity should be given to this measure. I support what the hon. member for Gloucester has said. I would like to see the department send our pamphlets to hon. members and to the organizations in our counties. If my memory is correct, l'union catholique des cultivateurs of Quebec has provided some publicity in two or three numbers of the periodical put out by the department. Seeing that my hon. friends opposite are supporting the measure I know they will be ready to thank the government for having given this extension. I congratulate them upon that stand.

Mr. Herridge: Mr. Chairman, I have a number of farmer constituents who have taken advantage of this valuable legislation throughout the years, and for that reason I want to say just a word or two. My remarks are the result of conversations I have had with various farmers, either those who have borrowed money or who would like to take advantage of the act. Before proceeding I want to say that I think this act is a good demonstration of the value of government-sponsored credit in order to increase production. Most of the funds provided under the terms of this act are used for the clearing of land, the extension or improvement of homes and buildings and the purchase of machinery.

I am different from the hon. member for Assiniboia, who represents much larger land owners than those whom I represent. Many of the farmers in my constituency settled on forest land which had to be cleared. In discussing this question, as recently as last fall, many have suggested that the amount of money available under this act should be raised from a maximum of $3,000 to $5,000.

That seemed to be the major criticism. Even those who told me that they thought it excellent legislation, even those who had been able to do things that they would not have been able to do without the legislation, thought that it would improve the effectiveness of the legislation and make it more helpful if the maximum could be raised from $3,000 to $5,000.

When you consider when this legislation was brought into effect and the prices that prevailed at that time I think you must admit that the argument is quite valid. I suppose the over-all cost of things between 1944 and the present time has doubled, particularly materials required for home and building improvements as well as machinery costs.

A number of farmers in my constituency have had to clear their lands. We have a provincial land clearing scheme under which farmers can rent heavy equipment, I believe by the hour. By the use of such equipment they are able to clear in a few days as much land as it would have taken them ten years to clear by hand. This act has been most useful to men who have wanted to clear their land, because under the provincial arrangement they must pay for the clearing of the land in a much shorter time than they can borrow under this act.

I have talked to one or two men who have borrowed money with which to clear land by means of this heavy equipment and they have found that they were able to pay off their loans before they were due from the production of the land so cleared. I think that is sound evidence of the effectiveness of this act.

I want to bring to the attention of the parliamentary assistant that there is a general demand and need for the raising of the maximum that can be borrowed from $3,000 to $5,000. I cannot quite agree with the argument of the parliamentary assistant that because only 2 per cent have borrowed the maximum of $3,000—

Mr. Lesage: Two per cent of the loans.

Mr. Herridge: In number. I can quite understand that because possibly the greater number of loans would be made in eastern Canada where the farms are smaller and the amounts required would therefore be smaller. But in western Canada and British Columbia the amounts required would be somewhat larger. I have had suggestions from farmer constituents and from farm organizations that it would be of advantage if the time for repayment was lengthened by a year or so and the interest rate reduced from 5 to 4 per cent. I see the parliamentary assistant seems to be frowning at me. I realize it is quite easy to advocate longer periods for repayment and lower interest rates, but I have made some study of agricultural credit on the North American continent and in England and in Europe, and it has been found throughout the years that where credit is extended for agricultural development on sound security the land should not be required to pay more than 4 per cent interest on the capital loaned. I bring that to the attention of the parliamentary assistant.

I have just one other reference to make, similar to those made by previous speakers. I think a greater effort should be made to inform farmers of the benefits of this legislation. I have found the banks in my constituency most sympathetic. I think the act has been very well administered by the officials of the department, and the co-operation by local branch managers has been excellent. But I do not think the placing of a few dozen pamphlets in a rack in a bank lobby provides sufficient advertising to bring this legislation to the attention of all farmers. They should be told not only that there is an act but what can be done under the act. I have found many men completely uninformed or only partially informed.

I would suggest that both the provincial and federal departments of agriculture should do more to publicize this act through their officials in the field. Those men should take advantage of their meetings with farm organizations, or even at fairs and things of that sort, to direct the attention of the farmers of this country to the benefits that can be obtained under this legislation.

My suggestion is not quite the same as that of the hon. member for Gloucester. I do not want a large number of pamphlets given to me for election purposes. I would suggest that it should be done through agricultural organizations. From my contact with the farmers of my constituency, farm organizations and farmers of the country generally who have taken advantage of the act, I can say that they consider it sound legislation. It simply needs modest improvement.

Mr. Cardiff: I should like to tell the parliamentary assistant that if he wants to increase the number of loans made under the act in Ontario he certainly must advertise more than has been done in the past. I do not think many farmers know anything at all about it. I have been approached at different times for information about these loans. It is true that the bank managers make the loans to the farmers, but when a farmer comes into a bank for a loan and the banker can lend him money as a good risk

without using this particular act, he will lend the money directly from the bank and will not mention the act at all. I think that is one of the reasons the provisions of the act are not advertised as much as they should be. Another reason is the fact that the interest rate is too high. I understand it was 4½ per cent but I believe it is now 5 per cent, is it not?

Mr. Lesage: It is 5 per cent.

Mr. Cardiff: I think the rate is too high. Another reason you do not make as many loans in Ontario is the fact that the rate of interest is only 4 per cent, I believe, under the junior farmers' establishment and improvement act.

Mr. Lesage: It is a maximum of 5 per cent. The banks are not forced to charge 5 per cent.

Mr. Low: Have there been any cases where the banks have lent money at a lower rate?

Mr. Lesage: No.

An hon. Member: The maximum is the minimum.

Mr. Lesage: Not as far as we are concerned.

Mr. Cardiff: I think the interest rate is too high. If you want to make the benefits of the act widely available, I think the interest rate should be lower. It is a good act and should do a lot of good for the country, but the interest rate is too high and there is also the fact that I do not think the banks make the provisions of the act sufficiently well known to individual farmers who go to banks for loans. If the farmer is a good credit risk, the bank lends him money directly and not under the act.

Mr. Stuart (Charlotte): I want to say a few words about this measure. I am one who believes that any regulation or assistance which provides relief for primary producers is something that I should wholeheartedly support. I realize that the agricultural industry is also one that can have good years and poor years. After a poor year assistance is necessary in many cases and is appreciated. With respect to farmers being aware of the assistance that is available to them, I think one member who spoke a little while ago hit the nail on the head when he said that members of the house may be a little negligent in not giving the act the publicity that is required. I think the provisions of the act might have been known by a great many more farmers in my own county if I had given it a little more publicity.

As has been stated, however, the implement manufacturers and dealers are always anxious to sell machinery and the bankers always want to lend money, and as a result a great deal of publicity is given by such people. But there was a statement made a few moments ago by the hon. member for Gloucester with which I must deal briefly. He asked a question of the parliamentary assistant and in answering it the parliamentary assistant put figures on the record with respect to the incomes of the farmers of New Brunswick. When he sat down the hon. member for Gloucester suggested that those figures would be for income tax purposes, or in other words that they would not be correct.

I take issue with that statement, because I believe the farmers of New Brunswick pay their income taxes to the same extent as farmers in other parts of the Dominion of Canada. I do not like that sort of implication to go on the record, and for that reason I want to state what I believe to be the fact. I believe the figures they would give for income tax purposes would be exactly the same as the figures they would give for any other purpose. I do not like the insinuation that the figures for income tax purposes would not be correct.

An hon. Member: He did not say that.

Mr. Lesage: Oh, yes, he did.

Mr. Stuart (Charlotte): He certainly did.

Mr. Lesage: I had to correct him.

An hon. Member: He did not intimate that at all.

Mr. Stuart (Charlotte): He certainly made the statement I have just put on the record. He said that the figures would be for income tax purposes. I am going to watch *Hansard*. Those are the exact words he used. He said these figures would be for income tax purposes. I do not want anyone to get the idea that the farmers of New Brunswick give one set of figures for income tax purposes and another set for some other purpose.

Mr. Ferguson: Mr. Chairman—

Mr. Stuart (Charlotte): I will watch *Hansard* very carefully.

Mr. Cardiff: He did not say that.

Mr. Stuart (Charlotte): Mr. Chairman, I am sure you will find that some of the people who are interrupting me now were not in the house at the time.

Mr. Cardiff: I was sitting right here.

Mr. Stuart (Charlotte): I am sure that the statement he made—and it will be on the record—was that these figures were for income tax purposes. I resent that statement.

I believe it casts a reflection on the farmers of New Brunswick which is not warranted.

Mr. Ferguson: Mr. Chairman—

Mr. Argue: Mr. Chairman—

The Chairman: The hon. member for Assiniboia.

Mr. Argue: Mr. Chairman, some members have been making the point that in various provinces—

Mr. Ferguson: Mr. Chairman, I want to speak to a point of order.

The Chairman: The hon. member wants to raise a point of order?

Mr. Ferguson: It is apropos of what my hon. friend said a few minutes ago.

The Chairman: There was no point of order before the chair. The hon. member for Assiniboia.

Mr. Argue: A number of members have made the point that in certain provinces the act apparently is not being given a great deal of publicity. If that is correct, and I am sure it must be, I would say that the bank managers must not be the best businessmen, because surely they are the people who should be promoting loans under the act when such loans comply with all the regulations and provisions of the act. If they are good businessmen for their particular banks they should be out to obtain business under the act. Surely it is good business for the banks. They cannot lose, because if the farmer does not pay, the government does. Therefore I think the bank managers in some provinces must not be pressing it as they should. Certainly ample publicity has been given to the act in western Canada, because the farmers there know about it.

An hon. Member: They are smarter.

Mr. Argue: I do not know who has been publicizing these loans to the farmers, because they are often termed government loans which you go to the bank to get.

Mr. Ross (Souris): The implement dealers tell them.

Mr. Argue: One farmer will say to another: "I need a combine but I have not enough cash". His neighbour will say: "Go and get a government loan through your bank". I do not know whether or not the government party, the Liberal party, has been doing a sales job on this particular legislation, but certainly it is well known. It is used extensively and to the advantage of the agricultural industry.

The point has been made that the interest rate of 5 per cent is too high. I would not say that it should not be lower, but in relation to other interest rates at the present time it is not as high as when the act was first passed. We know that there has been a tendency in recent months for interest rates to increase, and I am certainly pleased that nothing is being done to increase the maximum interest rate under the act.

I feel strongly, however, that there should be an increase in the maximum amount that can be loaned to a farmer by a bank under the act. When the legislation was first brought into parliament in 1944 it contained the present maximum of $3,000. That maximum is still in the act, but since that time the price of machinery has gone up tremendously. If I read the legislation correctly, when the act became operative in 1945 the down payment on an implement loan was 25 per cent. In other words, if a farmer had $1,000 cash in 1945 he could buy farm equipment worth $4,000 by getting a $3,000 loan under the act. In 1945 one could buy a lot of farm equipment for $4,000. You cannot buy any more than half as much at the present time, and possibly not even that.

One of the farmer members of our group was speaking to me a few minutes ago, and said that in 1945 he had purchased a large self-propelled combine for $2,800. He purchased a similar combine last fall and it cost $5,800. While the ceiling on loans made under the act is the same, certainly the price of implements—and one purpose for which this act was drafted was the purchase of these implements—has not remained the same. Indeed, in this particular instance the price has more than doubled. If a man had $4,000 in 1945 he could buy a combine and a medium-sized tractor, and he needed only $1,000 cash. Today, if he wants a combine of the same type the price is $6,000. The maximum loan is $3,000, so the farmer must put up $3,000 himself.

Mr. Lesage: Unless he has one to trade.

Mr. Argue: Yes; he must put up the $3,000 cash himself. A man who is starting out and has nothing to trade must forget all about buying that medium-sized tractor which he could have purchased in 1945, and must also pay $3,000 cash. I feel, therefore, that a mistake has been made in not amending this legislation to double the $3,000 maximum loan in keeping with the increases in the cost of farm implements. Today it costs a lot of money to equip a western farm. It costs more to equip a western farm than a farm in the maritimes or in central Canada. Even though it does cost more, a farmer still has to have the equipment. All farmers want a full line of equipment. Naturally, they are progressive and they are anxious to get

modern equipment. If they purchase a full line of equipment, a truck, a combine, a tractor, a one-way seeder, cultivator, a grain loader, and all the other things that make up a full line of equipment, it will cost them about $20,000. Under this act the maximum amount that can be borrowed is $3,000. I say that the $3,000 figure was reasonable in 1945, but if you are to have a ceiling in the act today that will provide the same purchasing power to the farmer then that $3,000 must be greatly increased.

The parliamentary assistant gave us some very interesting figures on the number of loans that have been made in the amount of $3,000. He says they amount to 2 per cent. I am asking him how many loans have been made in the amount of $2,999; that surely would be close enough to the maximum to be included in that category. When one says that 2 per cent of the loans were made for the maximum of $3,000, that does not indicate very much. When his statement covers single loans in single transactions, it tells even less. What about a farmer who comes along in the spring and borrows $1,000, and then comes in again in the fall and borrows an additional $2,000? He has taken advantage of the maximum loan under the act, yet that transaction would not appear in the 2 per cent table. I say, therefore, that the figures the parliamentary assistant tabled showing that only 2 per cent of the loans by number were for $3,000 do not provide a fair indication of the demand for that type of loan.

If he could give us figures showing the number of farmers who, during the period this act was in operation, have had loans totalling between $2,500 and $3,000 at any one time, then that would be a fair indication of whether or not there is need for increasing the maximum amount. When he brings in these figures and says that only 2 per cent of the loans made were in the $3,000 category, that does not indicate very much. It does indicate, I believe, that the demand for an increase in the maximum is most prevalent in the prairie provinces. Of the loans that were made for the maximum of $3,000, as I add them up quickly, 90 per cent were made in the three prairie provinces. It may be true to say there is no great demand for such an increase in the maritimes or in the province of Quebec, where the parliamentary assistant says there are long-established farms which have been equipped for many years. However, when these figures show that 90 per cent of the maximum loans have been made in the three prairie provinces, I think it indicates that at least in that area there is a need for an increase in the maximum amount provided under this act.

When this point has been pressed, the parliamentary assistant has said one of the reasons the government does not want to increase the maximum is that the act has been operating well and they do not want to jeopardize anything that has been done under it. I believe he mentioned—he can correct me if I am wrong—that there was about $12 million in overdue payments under this act. Well, that does not prove anything to me unless he gives me some further explanation. I would hazard a guess that probably half the loans in the three prairie provinces, up to a few months ago, were overdue because most of those loans become due on the 1st of November. The quotas were low and the farmer had all kinds of grain at home, but he was very short of cash in November. If the note had come due in April when the 20 cent payment was being made, and another quota might be available, the story might be different.

I am not saying the due date should be April instead of November. All I am saying is that because of the quota system and the difficulty in marketing this grain readily, the note will become overdue through no fault of the farmer. The bank manager is not worried, because he knows the farmer has grain on the farm. It is just a matter of time until the farmer will be in a position to pay off his obligation.

The parliamentary assistant has said this is a very good act. There has been a total of $355 million lent under it, and so far the government has had to pay over to the banks in the way of losses only $38,000. The 1951 annual report points out that so far the losses have been only ·01 per cent. Surely if the act is that good, and that is all it has cost the federal treasury, there should be no risk involved in increasing the maximum amount. The 1951 annual report points out that the moneys the government may have to pay out by way of losses will increase as the aggregate loans have increased, but it makes the statement that the increased losses are not likely to increase any faster than the increase in aggregate loans. The 1951 report would seem to indicate that the ·01 per cent loss rate is likely to be maintained.

If that is the case, then certainly there should be no reason why the ceiling cannot be increased. You cannot have it both ways. Either this is costing the federal treasury very little or else it is costing the federal treasury a great deal of money and it is

extremely hazardous. If it is as good as the parliamentary assistant says it is and as good as the annual reports say it is, then certainly the $3,000 should be increased, particularly when you keep in mind the fact that $3,000 today will not purchase any more than half as much in the way of farm implements as it would purchase when the act was first implemented.

Mr. Charlton: In view of the fact that the parliamentary assistant more or less criticized the hon. member for Gloucester for even suggesting that settlers should come under this act, I should like to have him explain schedule E, part 1 of the 1951 annual report, where it gives the number of dollars, namely $424,397.45 for brushing and breaking new land in 1951 and also a total—up to date so far, under the act—of $3,257,000. If it does not include settlers, what is the parliamentary assistant's definition of a settler?

Mr. Lesage: According to what I know—and I have quite a number of settlers in my riding—a settler is a man who goes out on new land, opens the lot, cuts the first trees and then breaks new land. I understand that the loans made under this act by the banks for the breaking of new land have been made to farmers who wanted to increase their acreage. That is what it is. But you have to be a bona fide farmer to obtain a loan under this act. Settlers, as we call them and as we know them, who are settling on brand new land, are to my knowledge the responsibility of the province.

I should like to say a word about what the hon. member for Assiniboia has said. I do not want to go back to all the arguments I gave at the start of the discussion this afternoon when I explained that it had been felt that an increase in the ceiling was not warranted at this time. The hon. member for Assiniboia was saying that the western farmer needs normally about $20,000 worth of machinery.

Mr. Argue: For a whole line of new machinery.

Mr. Lesage: Yes; a whole line of new machinery. May I draw his attention to the fact that I do not believe it is possible for western farmers—in spite of the fact that I understand they are getting a large income from their farms—to repay any such amount as $20,000 on short terms. Let me tell my hon. friend that under the farm loan board loans may be granted for these purposes, and I am quoting from the annual report of the farm loan board for the year ended March 31, 1952:

> Loans may be granted to refinance existing farm indebtedness, to purchase livestock and equipment, to make improvements including . . .

And so on. But these are long-term loans which are to be repaid over a greater number of years, so the ceiling can be higher. I understand that at present it is a total of $12,000. I am informed that the ceiling would be a total of $12,000.

Mr. Ross (Souris): It is $10,000 for land and $2,000 for equipment.

Mr. Argue: I have just one little comment to make on that point. I am glad the parliamentary assistant mentioned the farm loan board and the provisions with respect to loans. I cannot quote them from memory, but I know that recently the amount of money that a farmer can obtain from the farm loan board has been doubled. It has been realized that the value of land has increased. The value of anything the farmer might use that kind of long-term credit for has gone up. That fact has been recognized in reference to the farm loan board.

All I am asking is that the same thing be recognized in relation to short and intermediate-term credit. I did not mean to imply, if I did so, that I wanted provision to be made so that a farmer could go to a bank and get $20,000 to buy equipment. I do not think any farmer is foolish enough to accept that large amount of credit on a short-term basis or even on a long-term basis for equipment only. The whole point I was trying to make was that when it cost $20,000 for a full line of new, modern equipment for the western farmer, $3,000 in relation to that sum of money is not good enough. In my opinion, with the increased cost of equipment, the $3,000 should now be $6,000. That would, of course, still be less than one-third of the amount necessary to buy that particular line of equipment.

Mr. Ferguson: The parliamentary assistant stated that the hon. member for Gloucester had made a statement—and it was verified by what the hon. member for Charlotte had said—with respect to the figures he had given. He asked a question whether that was for income tax or not. Is that right?

Mr. Lesage: After I had finished quoting the figures—and I remember the incident very well—the hon. member for Gloucester told me that those figures were given for income

tax purposes. I corrected him. I said no, for census purposes. That is exactly what happened.

Mr. Ferguson: That is exactly what I thought you said and that is exactly what I thought he said. That is what I thought was the question he asked or the statement he made—

Mr. Lesage: It was a statement, not a question.

Mr. Ferguson: —in order to correct in his mind—

Mr. Lesage: I was not in his mind.

Mr. Ferguson: I know that.

Mr. Lesage: And I do not want to be.

Mr. Diefenbaker: He is not in the house and is not able to answer for himself.

Mr. Ferguson: What I am getting at is this. If the parliamentary assistant will just carry out the role he is supposed to be there for and answer this question, I shall be greatly obliged. Then he will know what I am driving at, I am sure, and not before. That question was asked because there is a difference when you are quoting income tax figures. Sometimes there is an exemption of $2,000. Motives should not be imputed with respect to a man's question. He may have wanted to know whether that was the total income or whether it was the income tax figures less the exemption of $2,000. That is quite a sane question. But the hon. member for Charlotte gets to his feet with crocodile tears in his eyes because any man would suggest that the farmer is having something said about him in the House of Commons that was not quite fair. That is the gentleman who will probably have to apologize to the tobacco farmers for smuggling cigarettes across the border, on his own admission.

The Chairman: Order. The hon. member will realize, of course, that I should have stopped him before since this matter is one which is not between the hon. member for Simcoe North and the hon. member for Charlotte. It is one that has to be settled between the hon. member for Charlotte and the hon. member for Gloucester.

An hon. Member: They are out settling it now.

The Chairman: It is unfortunate that the hon. member for Gloucester was not here when the hon. member for Charlotte spoke.

Mr. Diefenbaker: He is in committee, where he has to be.

The Chairman: His language was not offensive and therefore I could not stop him. But now it is unfortunate that the hon. member for Charlotte and the hon. member for Gloucester are not here.

Mr. Ferguson: That is right.

The Chairman: I would suggest that we leave this particular matter to be settled between the two of them. If anything has to be withdrawn, I think the Chair can be relied upon to have the proper withdrawals made, if need be.

Mr. Ferguson: Mr. Chairman, may I proceed with this other matter, now that I have said that. This farm loan provision in our part of the country is certainly a great boon to the farmers. I do not know whether this is exactly the right time to mention this matter, but the parliamentary assistant's department is giving great aid to the farmers. But in the community in which I live it is very difficult for men in other occupations of life to obtain small necessary loans, owing to the fact that there is a great building boom going on in the larger centres and mortgages are hard to obtain by people to build themselves modest and necessary houses. At this time I would certainly suggest that the parliamentary assistant have his department look into the advisability of making money available to these people I have mentioned on the same basis as it is made available to farmers. I refer to small industrialists and workers—

Mr. Lesage: Housing is under the Department of Resources and Development, not under the Department of Finance. This is out of order.

Mr. Graydon: The lending of money is under your department.

Mr. Lesage: The hon. member is one of my very good friends, as he knows. I am not prepared to answer his question or his suggestion.

Mr. Ferguson: I understood that the parliamentary assistant was representing the Department of Finance, and that he could be spoken to regarding this matter of finance. You make loans to the farmers and I was suggesting that on a similar basis money be made available to people who are desirous of having roofs over their heads. The lending companies will not do it because they are too busy lending money at high interest rates in the larger cities. They admit that quite freely. The same relief should be given to workmen in shipyards, such as the people in my community, and people in various other types of business.

Mr. Lesage: On a point of order, I am not going to start a discussion of housing at this time.

The Chairman: Order. The hon. member was just concluding his remarks. I know he will not pursue the matter, because this resolution has to do with farm improvements and not housing, even for farmers.

Mr. Montgomery: I do not intend to take very much time. In fact I do not intend to enter into this debate, but I discovered from figures quoted by the parliamentary assistant this afternoon that most of the farmers in New Brunswick must be in my constituency. If I got the figures correctly, there are only about 2,000 farmers in New Brunswick who would qualify under the act. Is that right?

Mr. Lesage: No. I gave some figures which I took out of the census of 1951, giving the number of farms in Newfoundland and New Brunswick in the various brackets of income they were getting from their farms. The act and regulations do not mention that a farmer must have such and such an income to qualify under the act. The requirement is that his main occupation must be farming, but the question of his income is one of the factors which is taken into account by the bank manager, as any businessman would take into account the income of a borrower before lending him money.

Mr. Ross (Souris): He must be a good credit risk.

Mr. Lesage: Well, he must not necessarily be a very good credit risk, because there is the government guarantee behind the loan and that is the reason for the government guarantee. But there must be a fair chance of recovery.

Mr. Montgomery: Thank you; that does make it clearer. The two points I wanted to mention in particular, however, were these. It is quite true that the income of a great many farmers in New Brunswick is not large. That is one of the handicaps under which we operate, and it is something about which I have no doubt hon. members will hear more before this session is over. However, in all fairness I think the explanation of the small amount loaned in the east, and especially in my section of my province, is the fact that they utilize the Canadian Farm Loan Act rather than this act to repair buildings and to improve their farms. I find in my experience of the last year or two that a great many people know about this act. I think it is well advertised in my constituency, and it is very generally used for the purchase of farm machinery and such things. It is pretty well administered, because it is administered by the chartered banks.

After having listened this afternoon to the arguments pro and con increasing the amount that might be available, I must say I have had no such requests, nor have I heard any complaints, because in our part of the province when a farmer has to borrow $3,000 for the purchase of farm machinery he has to think twice about how he is going to pay it back. Our farmers are in a hazardous occupation. There is no stability in their markets, and they do not like to risk too much; therefore I do not think I would press for an increase in the amount that may be borrowed. However, if it was going to benefit the farmers in other places, then I can see no particular risk in increasing the ceiling, because the governor in council and the banks have put adequate limitations in the regulations which require security that would protect the loan up to $5,000 just as it does up to $3,000.

As I said before, this act is well administered because it is administered through the banks. I know that in my part of the country the bankers are pretty sound businessmen. Probably another reason for the low percentage we are getting under this act—I do not blame the act nor the government; I do not blame anybody for that small amount that is coming to New Brunswick—is that as far as my section of the province is concerned it is a well-known policy that the banks will not lend money if they do not think there is a reasonable chance of getting the money back, and I think it is a sound policy.

This brings me back again to my province, and I think this is something which is worthy of the attention of this parliament. We are affected in many ways. We have two classes of farmers. They are all farmers, and they depend entirely on farming, but we have a farmer who has a small income. He is working hard to get it. He is eking out a living. That man cannot go into the bank and give a statement which indicates that he can pay back a loan of $400 or $500 for certain within a year or two.

Then we have the other man who is a larger farmer, he grows potatoes mainly. He is in a different position, because as I said once before in this house, it seems that the policy is driving our people into two classes. The rich are doing better but the poor are getting poorer. The other class of farmer does not need to use this act so much because he can finance himself. A good farmer can go to his bank and borrow on bonds—a good many of them might have them—and he can borrow at less than 5 per cent. Therefore as a matter of business he does not use this legislation.

The other man who may need it to get some farm machinery cannot satisfy the bank that he can grow sufficient crops and market them at a profit sufficiently high to repay that loan within three or four years. I am not blaming the act; I think it only fair, from what has been said here this afternoon, to say that in my particular part of the province this act is well known. It has been well advertised, and it is utilized by those who can use it. It is a good thing. I am very much in favour of extending it. I would support raising the ceiling, because I believe it is in good hands. Even if the ceiling is raised it may not assist many down in my part of the dominion, but it might assist other people in the dominion. It might assist some farmers, and if so I do not see that the government will lose anything on it because it is in the hands of the banks and the banks are good administrators of this type of business.

Therefore I am not going to take up more time on this matter, except to say that I am willing to support it as it is, and I would be quite willing to support it if the ceiling were raised.

Mr. Pearkes: Has the parliamentary assistant a breakdown of the tables showing the amounts and numbers of loans as between Vancouver island and the rest of British Columbia? I have received complaints about the difficulty of obtaining loans on Vancouver island. Is it correct to say that application has to be made to New Westminster for final approval, or can it be done on Vancouver island?

Mr. Lesage: I would have to inquire about that. Referring to the first part of the question, I believe that we can work out approximately the amount of the loans for Vancouver island, and between now and the time we reach the second reading stage we will attempt to do so.

Mr. Pearkes: That would be satisfactory.

Mr. MacLean (Queens): This is of particular interest to my constituency, because I have noted that a higher percentage of farmers in Prince Edward Island have taken advantage of the loans under the act than in any other province of Canada, with the exception of the three prairie provinces. In other words it is the fourth province, so far as the percentage of farmers using the act is concerned.

Perhaps the parliamentary assistant would consider the points I shall now place before him. In his statement last night he pointed out that 92 per cent of the loans were for farm machinery and implements, and 4 per cent for the purchase of livestock. It follows therefore that only 4 per cent of the total loans was used for such purposes as the improvement of buildings and fences, drainage, plumbing, heating and the like.

That state of affairs is most unfortunate, not because a large number of loans are made for the purchase of farm machinery but rather because so few are made to improve the standard of living of the people on the farms. I realize this is not the fault of the act itself, because excellent publicity was given to the fact that loans can be made for those purposes. I am wondering however if that side of the picture could be floodlighted so more farmers would realize that they can obtain loans not only to purchase farm machinery but for the installation of water systems, plumbing, sewage disposal units and so on.

I believe strongly that in this day and age it is more important for a farmer to live in a home with the proper outbuildings, and with a supply of running water and an adequate sewage system, than it is for him to own a small truck, for instance. In any case this is something to which I would direct the attention of the parliamentary assistant, with a view to publicizing that side of the picture a little more.

Then in this pamphlet published by the authority of the minister it says that loans under the act are obtainable for clearing, breaking and irrigating, and for reclaiming land, soil conservation, the prevention of erosion, the planting of trees and shelter belts, the sinking, construction, installation, repair, alteration or improvement of wells, dugouts, or an ice well. I notice that it does not specifically say that loans may be obtained for the purchase of agricultural lime.

In the part of the country I come from, where there is heavy rainfall, it is the natural tendency for the soil to become acid. In that area one of the fundamental factors in soil conservation is the application of lime. I think no loan would be better justified, so far as farm improvements are concerned, than those for agricultural lime. I believe I am correct in saying that farm improvements under the Veterans Land Act include loans for the purchase of lime, and I was wondering if consideration could be given to this matter under the act now under discussion.

Mr. Lesage: The department would have to be satisfied that the purchase of lime would be for the permanent improvement of the farm land. According to my information, that has been considered a permanent improvement by the administration. It might be that some bank managers have given a different interpretation, and I am sure the administration here in Ottawa would like to

know about any other interpretation that has been given. If attention were drawn to it, it could be corrected.

I understand that we are coming to the end of the discussion, and I wish to assure hon. members that every consideration will be given to the very helpful suggestions that have been made, so far as the giving of publicity to the act is concerned. I thank hon. members for their co-operation.

Mr. Browne (St. John's West): Is the parliamentary assistant closing the discussion?

Mr. Lesage: There is no closing in committee.

Mr. Browne (St. John's West): I understood him to say it was the end, and I still have two or three questions to ask.

Mr. Fleming: He means it is the end of the government.

Mr. Browne (St. John's West): The hon. member said that $300 million was the new amount the government would be allowing the banks to grant by way of loans.

Mr. Lesage: It is a new amount of $300 million the banks will be permitted to loan, with the guarantee of 10 per cent, when the bill is passed.

Mr. Browne (St. John's West): Can the parliamentary assistant say what actual amount was owing to the banks under the previous arrangement, as of December 31?

Mr. Lesage: I gave that information last night.

Mr. Browne (St. John's West): I would like to have the actual amount owing at that time.

Mr. Lesage: The actual amount loaned since the inception of the—

Mr. Browne (St. John's West): No; I want the amount owing.

Mr. Lesage: I gave that information in three parts last night. I believe on September 30, 1952 the total was $145,700,000.

Mr. Browne (St. John's West): What was the amount at the end of December?

Mr. Lesage: The hon. member will understand that it takes some time before we can get complete reports from the banks.

Mr. Browne (St. John's West): Does the parliamentary assistant expect that the whole amount of $200 million will be used up before the expiration date?

Mr. Lesage: The $200 million was allowed by parliament in February of 1951 for a period extending from March 1, 1951 to March 1, 1954. On December 31, $183 million had been loaned out of this total of $200 million. That is why we have to come to parliament at this session to create a new three-year period with a new amount of $300 million. The $200 million provided for the last period would lapse in April or May of this year.

Mr. Browne (St. John's West): If there was $183 million outstanding at the end of December, presumably there must be nearly $200 million outstanding now; is that not right?

Mr. Lesage: The $183 million was not the amount outstanding; that was the total of the loans made during the immediately preceding period. A loan outstanding is a loan which has not been repaid, and the total amount of the loans outstanding since the inception of the act is, as I have just said, $145,700,000. If my hon. friend wants a breakdown of that amount as between the three periods, he will find it in what I said last night.

Mr. Browne (St. John's West): Is it not correct to say that for the next three years the maximum amount will be $300 million, and you cannot have any more than that $300 million at any one time?

Mr. Lesage: Unless we do as we are doing now. If this government—I am sure we will be here at the time—after two years finds that the amount of $300 million is not sufficient to cover the three-year period, it may come to parliament, as it has come this year, and say, "We are closing out this period and opening up a new one."

Mr. Browne (St. John's West): If the parliamentary assistant has not this information at the moment perhaps he can give it when we are in committee on the bill. Can he indicate the number of losses and the total amount in each province, and the purpose for which the loan was made where a loss has been suffered?

Mr. Lesage: I understand that my hon. friend wants a breakdown of the 80 claims that have been paid by the federal government up to December 31, 1952, by provinces, and also the purposes for which the loans were made. I can give that to the hon. member when we reach the committee stage after second reading.

Mr. Hodgson: I should like to ask the parliamentary assistant a question or two on this subject. Will it be possible to apply this act in the northern section of my riding where areas have been long since used for agricultural purposes but where there are other areas that have been lumbered? Would it be possible for someone to buy up some of these old farms, borrow money and plant trees? It would be more or less a reforestation scheme.

Mr. Lesage: The amendment made to the regulations in 1951 covered only fruit trees.

Mr. Blackmore: Mr. Chairman, before the resolution carries I should like to say a word or two in respect to this measure. I want to congratulate the government on expanding the amount of money to be available for loans of this kind, but I also want to draw attention to the general idea which has been advanced by the hon. member for Assiniboia. There are many large farms in my constituency, and I find that a good many farmers there feel unhappy because no provision is made to assist young men establishing themselves on farms.

As the hon. member for Assiniboia pointed out, it costs at least $20,000 to set up a farm in these areas where the size ranges from half a section to probably two and a half sections. With that amount being required it is sometimes impossible to devise any means whereby young men can get started. The result is that we lose a great number of our young men who would be admirable farmers, who have the skill and desire for farming, just because they cannot get established.

I would say that is exceedingly bad business for the country. We want the finest of our young men to stay in Canada. We want our young men on farms where they can support themselves and raise Canadians for the future. If we lose them to the United States or to the cities where they undertake work which may not be permanent, we suffer a serious loss.

There is a general feeling in my constituency that the maximum is far too low, which would naturally follow from what I have just said. I am not prepared to say that this is the particular measure under which provision should be made for larger loans, but I do submit that the government should keep that in mind and devise a scheme before too long to take care of the situation which I have just pointed out.

The interest rate is far too high. Five per cent is unnecessary. I should like to draw the attention of the house once more to the fact that the Bank of Canada can create money today by just printing on paper without having any gold backing whatever. We passed a measure last year making it possible to do that on the basis of bonds. It is simply ridiculous, it is a reflection upon the intelligence of the people in this house to expect our young people or even our older people to pay 5 per cent interest on money which the Bank of Canada can run off just as rapidly as it can print it.

Some hon. Members: Oh, oh.

Mr. Blackmore: That is the actual fact. The big trouble is that people are relying upon the concept of money which their grandfathers had. They are not up to date. Some hon. members were laughing a few minutes ago. I would like to get those members before me in a committee and I wager I would take all the laughs right out of them. They just are not in touch with what is actually going on today.

We should remember what can be done under the Bank of Canada Act. All these members from Saskatchewan who seem to know so much should listen to this, and I will give them the source of my information so they can verify it. On pages 140 and 141 of "The Canadian Banking System" by Professor James Holladay—I am sure I am right —it is pointed out that the Bank of Canada working in conjunction with Canadian chartered banks can take one dollar gold and upon that dollar of gold establish $84 of currency and credit in Canada. Just try to laugh that off. Try to fit that into the silly laughs we had a minute ago. Let us keep in mind what are the actual facts.

I do not intend to enter into a discussion of finance, but the fact is that under this measure we are charging 5 per cent interest on money. I say that is simply not in accordance with common sense under the financial system we have at the present time. I maintain that the interest rate is far too high.

I am not saying that the banks should be called upon to lend money at a rate lower than 5 per cent, but I am saying that it ought to be possible for the federal government through the instruments which it has at its disposal to grant assistance to the banks, to subsidize them, so that they can lend at 3 per cent. I do not think anyone can successfully show that that cannot be done without cost to the federal treasury. So I repeat that the interest rate is far too high.

As I said a moment ago, the term of the loan is not long enough. A young fellow buying a combine at $10,000 will have to pay one-third of the cost down, another third inside of a year and a half and another third inside of two years. Then if he has to pay 5 per cent interest at the same time it means that we certainly are providing a set-up under which it is practically impossible for him to operate unless he has the very best of success and unless he is sure of a good crop, a good market and good prices. I maintain that the term is too short and that the limit on the money that is available is altogether too low.

There is one matter to which the parliamentary assistant referred a few minutes ago.

I do not know whether or not he considered what he said carefully, and I am not sure that I caught the exact purport of his remarks, but I thought he implied—and he will correct me if I am wrong—that when it came to establishing young people on the land you were really dealing with property and civil rights and consequently you were going into the realm of provincial responsibility. I am not sure that I got him right; if I did not he can correct me. He went on to cite measures that had been adopted by various provinces under which they advanced loans to young people of their provinces to establish them, and I think that is where I got the impression. Have I the right idea of what he had in mind, that the establishment of young people would be largely a provincial responsibility? Is that correct?

Mr. Lesage: What I said was that the establishment of settlers or young farmers on new farms, new land, was related to land tenure which certainly was a provincial responsibility, and that no doubt that was the reason some of the provinces at least had considered that that was their responsibility and had acted accordingly.

Mr. Blackmore: That is what I wanted from the parliamentary assistant. I was not sure whether I had interpreted him aright. May I point out that there are at least five provinces in the dominion that simply do not possess the financial ability to back their young people in becoming established. I refer to the provinces of Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Saskatchewan. These provinces simply have not the ability to provide the necessary money. I maintain that that fact must be recognized. Alberta is in a somewhat more fortunate position at the present time because of the discovery of oil, but that oil is expendable and will become exhausted in due time so there will not be any more revenue from it. Then the same thing will apply to Alberta.

There is no doubt in the world that if we are going to establish our young people all over the dominion on the land and have them care for the land and produce the crops we want them to produce, we must find some means whereby the dominion government can assist the provinces in advancing money to establish young men on the land. I merely wished to make those comments before the resolution carried.

Resolution reported, read the second time and concurred in.

[Mr. Blackmore.]

Mr. Garson (for Mr. Abbott) thereupon moved for leave to introduce Bill No. 143, to amend the Farm Improvement Loans Act, 1944.

Motion agreed to and bill read the first time.

EMERGENCY POWERS ACT

PROVISION FOR CONTINUATION OF ACT FROM MAY 31, 1953 TO MAY 31, 1954

The house resumed, from Friday, February 6, consideration of the motion of Mr. St. Laurent that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Powers Act to provide for the continuation of the act for a further period of one year, that is, from the thirty-first day of May, 1953, to the thirty-first day of May, 1954.

Mr. Garson: Mr. Speaker, before the hon. member for St. John's West (Mr. Browne) rises to continue the debate which he adjourned the other day, I should like to state on a point of order, if I may, that now that the Speaker has taken under consideration the point of order that I raised before during this debate and after further debate on that point of order is going to make a ruling upon it, I withdraw any objections I have to making a statement on points of substance in this present debate. If I may have the unanimous consent of the house, I would be glad to make my statement after the hon. member has finished his speech. If the house does not wish that I should do so, then I may say that I will make a full statement as soon as the house gets into committee. My only purpose the other day was to affirm the point of order which is now, I hope, in the process of being established.

Mr. Diefenbaker: It sounds like an alibi.

Mr. Garson: It is not, though.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I was going to draw attention to the fact that the point of order which was under discussion when this matter was previously before the house is now receiving consideration under another arrangement, and that therefore it is not necessary to proceed with arguments on that score. I should like to refer to the Emergency Powers Act, which I have before me, and which certainly seems to me to require some statement from the minister before any extension should be granted. I would recommend that all members should read carefully the speech made by the Leader of the Opposition (Mr. Drew) which I think brings out most of the arguments why it is not expedient that we should adopt this resolution.

I would refer especially to the very few occasions upon which the government found it necessary during the past two years to resort to the Emergency Powers Act. If the Emergency Powers Act was necessary during the past years there should be some evidence of it, but all we find is that five orders in council were passed under it. I believe they were the only purposes for which the act was used. None of those orders in council is of a very serious nature or is such as should require to be passed under the Emergency Powers Act. They could have been passed under other acts or by special legislation that could have been introduced when the house was in session. Actually I believe the house was in session when all these orders in council were passed. Therefore there was no need to have the Emergency Powers Act at all.

Inasmuch as we have on the statute books an act which covers far more ground than the Emergency Powers Act, and which can be brought into effect immediately by the stroke of a pen as soon as there is any necessity for it, it seems to me there is no reason why we should extend the Emergency Powers Act for another year. Therefore I would be of the same opinion as the hon. member for Peace River (Mr. Low), who said that the Attorney General will have to produce very strong reasons to convince him that the Emergency Powers Act should be extended.

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

Some hon. Members: No.

Mr. Deputy Speaker: Do hon. members wish to grant the minister unanimous consent to make his speech at this time?

Some hon. Members: Agreed.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, one of the things that has impressed me more than anything else about this measure is that the house was unanimous in 1951 in having it placed upon the statute books. When the principle of it was discussed on second reading it received unanimous support, and it was only upon third reading of the bill that the Leader of the Opposition (Mr. Drew) said that it should be passed upon division. The house was likewise unanimous in renewing it in 1952—

Mr. Fleming: Oh, no.

Mr. Garson: —and although some members who took part in the earlier portion of the present debate seemed to be in disagreement with the government's position in this matter, I wish to submit that actually they were not. We really are all in agreement at the present time in respect of the present extension once we properly understand the real nub of the legislation and the real purpose of the extension of it which the government is now seeking. In this connection, I suggest that nothing is more important to a proper understanding of this matter than that we should comprehend with some precision the nature of the emergency which is the basis for the validity of this legislation. I think it is equally important that we understand quite clearly the distinction between the emergency which is the basis for this legislation, and the emergency which was the basis for the National Emergency Transitional Powers Act, to which the hon. member for Lake Centre (Mr. Diefenbaker) made reference earlier in this debate.

I would submit that if the hon. member for Lake Centre objects to the term which I applied to the present emergency, namely that it is a post-Korean emergency—I still think that is as apt a three-word phrase as can be applied to it—then surely at least he will agree that the present emergency is an emergency of apprehended war. I believe he will agree also that the true nature of the emergency which was the foundation of the National Emergency Transitional Powers Act was the emergency of the changeover from war to peace, and was not an emergency of apprehended war. This distinction is of very considerable importance; for the basic fact of our present position, I suggest, is that the emergency upon which we are depending for the validity of the act now under discussion is now the emergency of apprehended war. This emergency of apprehended war is one which could have been, and could now be, invoked for the purpose of the government without any reference to this parliament at all exercising the almost unlimited powers provided by the War Measures Act, which are wider than those in the legislation now under discussion, and can be invoked without reference to parliament. Moreover the War Measures Act does not require that the orders in council passed under it shall be tabled in parliament, nor does it provide that such orders in council shall be open to annulment proceedings by parliament.

When my hon. friends of the opposition parties who have taken part in this debate say, therefore, that they do so because they wish, upon the one hand, to restrict the powers of the executive, and upon the other to uphold the supremacy of parliament, I applaud their sentiments. I agree with them, and I think they agree with us. It was precisely to achieve those two ends that,

instead of invoking the emergency of apprehended war by taking unto ourselves the wide powers under the War Measures Act without reference to parliament at all, we brought this present Emergency Powers Act into parliament. We said, "No, we are not going to invoke these unlimited powers under the War Measures Act without reference to parliament. Instead, we are going to ask parliament to say, in the Emergency Powers Act, just what powers parliament is prepared to give to the government under these present conditions of apprehended war. Far from using these unlimited War Measures Act powers without reference to parliament, we have proposed that the orders in council which we pass under the Emergency Powers Act shall be immediately tabled in parliament and be open for inspection by every member of parliament who wishes to see them. If any member objects to the manner in which we have invoked these powers or objects to the terms of an order in council which we pass under them, he may immediately by annulment proceedings in parliament, for which the Emergency Powers Act makes provision, attack such order in council, and he will be able to have it set aside if he can persuade the majority of members to support him in that regard."

Hon. members will recall that the Emergency Powers Act was before parliament first in 1951. If I recall correctly one of the members of the official opposition—I believe it was the member for Eglinton (Mr. Fleming)—said to me through you, Mr. Speaker, "You know perfectly well that if a private member brings in a resolution of annulment in this way it will go down to the bottom of the order paper. Then, if the government used its control over the order paper with some tactical skill, this resolution will not be dealt with promptly, and perhaps not at all". Hon. members will recall that an undertaking was given by myself, after consultation with the Prime Minister (Mr. St. Laurent), that the government would give priority to any resolution of that sort seeking annulment of orders passed under the present legislation.

Now, that being the case, it seems to me —and I offer this suggestion with great respect—that actually those members of the opposition who have said they were in favour of restricting the powers of the executive and of protecting the civil rights of the subject, and of upholding the supremacy of parliament, must support the extension of this bill. If they do not do so, then the position would be that the powers that are now available to the government under the War Measures Act in the present emergency of apprehended war are much more extensive and under less parliamentary control than those which are available under the Emergency Powers Act. We can exercise those War Measures Act powers without coming to parliament at all. That does not require that we table the orders in council passed thereunder. The orders in council which are passed by the government under the War Measures Act are not directly open to attack in parliament. Therefore the position of those in this house who are in favour of restricting the powers of the executive and supporting the supremacy of parliament is that, if they mean what they say, then they must support the extension of the Emergency Powers Act which we now seek.

Lest there be any misapprehension on this point—which I think would have been quite obvious from a perusal of the Emergency Powers Act had opposition speakers in this debate taken the trouble, as it seems they did not, to have read that act—let me refer hon. members to the debate which took place when the Prime Minister was discussing the resolution introducing that act in February, 1951. First of all, let me quote from his remarks as reported in *Hansard* of that year, page 497, as to the nature of the emergency. The hon. member for Lake Centre will recall that there was an interchange between us as to the nature of the emergency upon which this act is based.

Mr. Diefenbaker: I was not here in February, 1951.

Mr. Garson: No, I meant the other day in this debate. The hon. member rather scoffed at my idea that there was any distinction between the emergency under the National Emergency Transitional Powers Act, which was involved in the Nolan case, and the emergency which was involved here. He will recall that he read from the preamble of the Emergency Powers Act itself. He read:

> Whereas an international emergency exists that threatens the security of Canada.

He then argued that that is the full statement of the present emergency that the Minister of Justice (Mr. Garson) has to rely upon. But in the debate, in February 1951, leading to the introduction of the Emergency Powers Act, the Prime Minister (Mr. St. Laurent) said:

> The question may be asked, what is the nature of the emergency which we are facing?

Mr. Diefenbaker: Will my hon. friend allow a question at this point?

Mr. Garson: Yes.

Mr. Diefenbaker: What the Prime Minister said would not have any effect in a court

of law. The preamble would be the preamble relied upon to interpret the emergency, and not any undertaking by the Prime Minister.

Mr. Garson: Yes. My hon. friend is quite right. But at a later point I will endeavour to convince my hon. friend that the language which is used in the preamble to the act has reference to the same thing and means the same thing as the language of the Prime Minister. The Prime Minister said, as reported at page 497 of *Hansard* of February 20, 1951:

> The question may be asked, what is the nature of the emergency we are facing? In the opinion of the government, it is as defined in the following language in the speech from the throne:
>
> "The increased menace in the Far East reinforces the mounting evidence that communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations."

I suggest, Mr. Speaker, that if my hon. friend had taken the trouble to read the language which I have just quoted, he might have had a more adequate impression of the language which he quoted from the preamble of the act, namely "whereas an international emergency exists that threatens the security of Canada"; because the emergency which is recited in the act in those terms is the same emergency which is described rather more fully in the speech from the throne which the Prime Minister quoted. I leave it to you, Mr. Speaker, or to any hon. member whether it is or is not a reasonable submission that these two sets of language were referring to the one and the same fact, and that fact is the emergency upon which the whole validity of the Emergency Powers Act depends.

In addition, the Prime Minister at that time made it quite clear; and shortly I am going to show that the Leader of the Opposition (Mr. Drew)—in an excellent and thoughtful speech that shows that he understood these points thoroughly—agrees with all of these points of the Prime Minister. The Prime Minister, I say, went on to point out further down in his remarks:

> Since that is so, it might afford justification for bringing into effect the War Measures Act, on the ground that we are in a state of apprehended war. I believe the dictionary definition of "apprehended" —perceived or feared—would be met in this instance. There is no doubt that the possibility of war is perceived. There is no doubt that it is gravely feared. If that is so, why not use the War Measures Act?

That is a question which certainly members of the opposition who have taken part in this debate have been re-echoing. Here is the answer. I am still quoting from the Prime Minister's speech:

> One reason why we have not proclaimed the War Measures Act is that the government fears such a course might add to the feeling, already too prevalent here and in other countries, that war is inevitable. Since its passage in 1914 the War Measures Act has been used on two very critical occasions, but they were both occasions of actually existing war. It has seemed to us we should do everything possible to avoid any suggestion that we believe war is no longer likely to be prevented. I believe we must increase our efforts to prevent a world war.

Then the Right Hon. Prime Minister goes on to point out that it will not assist our efforts to prevent a world war if we create amongst our own people and the people of other free countries an impression that war is inevitable.

In firmly establishing these points which are very apposite to the matter which we are now considering, let me quote further from the Prime Minister's statement, at page 498 of *Hansard* of 1951:

> There are additional considerations which weighed on the government. The conditions being different from those which have at previous times led to the proclamation of the War Measures Act,—

Let those who say that they want to uphold the supremacy of parliament and limit the powers of the executive listen to this:

> —the government feels it is preferable that there should be a departure from the normal constitutional distribution of powers, and that a decision as to the emergency should not be made merely on the judgment of the governor in council as to the present situation, but should rest with the people's representatives in this parliament.

Mr. Fleming: At what page is that?

Mr. Garson: At page 498. I continue:

> In view of the possibility that the state of emergency may be of an indeterminate length—

We have today a condition of emergency which is unique in our history. It is an emergency of apprehended war; but unlike war emergencies of the past this present emergency, as the Prime Minister here points out, may be of indeterminate length. I suggest that it is not desirable, as the government recognizes, that for a period of indeterminate length the government should be invoking the wider powers of the War Measures Act, without any control by parliament. I suggest that it is much more desirable, as the Prime Minister has indicated, that in the precise kind of emergency with which we are now faced we should follow the course which we in fact followed of coming to parliament, and that we should follow the course which we are following right now in asking parliament for an

extension of the specified powers granted by parliament under the Emergency Powers Act. I continue this quotation:

> In view of the possibility that the state of the emergency may be of an indeterminate length, the government considers that all the powers transferred by the War Measures Act to the governor in council need not be available immediately. These powers are far-reaching, and they include the capacity to affect not only the ordinary property and civil rights of Canadian citizens, but their personal rights as well.

The hon. member for Lake Centre (Mr. Diefenbaker) is always—and properly so; it is much to his credit—deeply concerned with the civil liberties of the subject. He knows perfectly well that the War Measures Act includes the powers of arbitrary arrest, detention, deportation and exclusion, none of which are contained in the present legislation.

Mr. Fleming: You can thank the official opposition for the fact they are not in it.

Mr. Garson: No.

Mr. Fleming: Yes.

Mr. Garson: No. I suggest that my hon. friend cannot thank the official opposition; because if he will refresh his memory just slightly he will recall that the Emergency Powers Act, when it was introduced by the government, never included any such powers and expressly excluded them. I admit that in connection with arrest—

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege on that statement; because in November, 1945, the bill introduced by the government contained those powers; and we took the strongest objection, on a Friday as I remember it. On Monday there was a meeting of the dominion-provincial conference and they took the same objection that we took and withdrew them, or forced the government to withdraw them.

Mr. Garson: My hon. friend speaks of 1945.

Mr. Diefenbaker: Yes.

Mr. Garson: But we are now talking about the Emergency Powers Act of 1951. My hon. friend is still back on the Nolan case and the National Emergency Transitional Powers Act. He should no confuse these two statutes.

Mr. Fulton: On that point may I say this. My hon. friend will remember that an amendment was introduced as a result of the suggestion of the official opposition on that occasion.

Mr. Garson: Yes.

Mr. Fulton: We had considerable argument before it was accepted.

Mr. Garson: Yes. My hon. friend is quite right; there was an amendment introduced in

relation to the Emergency Powers Act upon the subject of arrest. But if my hon. friend will carefully recollect, it was explained at that time that the only power of arrest which the original draft of the Emergency Powers Act intended, and as we thought did provide, was the power of arrest in relation to offences against regulations passed pursuant to the Emergency Powers Act. I see my hon. friend from Kamloops nods his head in assent to that. That is right, and it was very clear that the government did not at any stage of the Emergency Powers Act seek to include in it the power which is in the War Measures Act to make arbitrary arrest or detention within the meaning of the War Measures Act. There was at that time quite a long exchange between the hon. member for Kamloops and myself, the result of which was that although we of the government continued to think and to assert that the only power of arrest authorized by the Emergency Powers Act was confined to contraventions of orders in council passed pursuant to the Emergency Powers Act itself, we did accept an amendment from my hon. friend which cleared up that point beyond any peradventure of doubt.

Mr. Fulton: And it was drafted by the Prime Minister.

Mr. Garson: It was drafted by the Prime Minister, as my hon. friend says. But my hon. friend will agree that at no time under the emergency powers bill did we seek anything remotely approaching extraordinary remedies of the War Measures Act which would adversely affect the liberty of the subject.

Let me quote further from the Prime Minister's remarks, as reported at page 498 of *Hansard* of February 20, 1951:

> As this resolution indicates, it will provide for restrictions on this general power. While providing adequate powers to deal with the type of situation which may be expected to arise, the government has endeavoured to avoid taking powers of the grave character which no democratic government wishes to have, as a government, unless those powers are really necessary for the safety of the state.

In other words, we were saying to parliament, we have available under an emergency of apprehended war the wide powers of the War Measures Act without reference to parliament at all. Instead of invoking those wide powers we are asking parliament to give us certain specific powers to be named in this emergency powers bill which we are introducing. We agree that if we exercise these powers to pass orders in council or regulations, we shall in every case table these

promptly in parliament within a matter of days after they have been passed. In this way every member of parliament shall have access to them to see if they are proper or not. If any member thinks that an order in council is improper, he has the right to bring into parliament, by machinery which the act provides for that purpose, a resolution seeking the annulment of these orders in council to which he objects.

Therefore, Mr. Speaker, when one member after the other of the opposition rises in his place and says he wants to know what orders in council the government has passed under this legislation, why are we so secretive about them, they surely have not read the act, because if they had read the act they would know that within a matter of days after parliament is in session the orders in council have to be tabled. When they are tabled they appear in the *Votes and Proceedings*, and then they go downstairs to the parliamentary papers branch where the text of them is available to any hon. member to see. And if they say they do not know what they are I say this in all kindness, I mean this in a very kindly way, I say they have only themselves to blame. I am not saying that because I do not wish to specify the orders in council which have been passed; I shall do that in due course.

What was the position of the opposition with regard to this matter and with regard to the arguments put up by my leader. The Leader of the Opposition (Mr. Drew), in one of the finest speeches that I have ever heard him make—it seems to me he was much more sensible and to the point in this speech than in many statements I have heard him make from time to time—

Mr. Casselman: Speak for yourself.

Mr. Graydon: You may not be a very good judge yourself.

Mr. Garson: I may not be; I am just speaking—

Mr. Pearkes: Do you want to be?

Mr. Garson: My hon. friend is not going to prevent me from praising his leader, surely.

Mr. Graydon: No; I would like you to make it more general, that is all.

Mr. Garson: First of all, with regard to the emergency, this is what the Leader of the Opposition had to say. He is referring to the Prime Minister, and this is what he said at page 500 of *Hansard* of February 20, 1951:

> He has indicated that the emergency is the increased menace in the Far East—

I recommend this particularly to the hon. member for Lake Centre (Mr. Diefenbaker) who seems to be in some doubt as to the nature of the emergency. This is what his leader said:

> He has indicated that the emergency is the increased menace in the Far East, which demonstrates the full extent of the threat of communist imperialism. He has quoted from some words I used in the debate on the speech from the throne. I agree that those words were intended to convey my own belief that there is an emergency of the nature which he described.

Mr. Fulton: What year was that?

Mr. Garson: This is at page 500 of *Hansard* of February 20, 1951, and is in the very same debate as that in which the Prime Minister spoke. As soon as the Prime Minister took his seat the Leader of the Opposition rose, and this is one of the first paragraphs of his speech. Then he goes further. He not only agrees but he says:

> I would point out, however, that this emergency is not new. I would point out that when another bill was introduced in this house last September we sought to emphasize that there was an emergency of this very nature. True, the seriousness of the emergency is being recognized more generally, but the emergency that exists today was the emergency which existed in just as definite reality last September.

And might I say, Mr. Speaker, in order to bring this up to date, as to the necessity of extending these powers at the present time, it is not more than a week or so since the hon. member for Nanaimo (Mr. Pearkes) in a statement that was more detailed than either of those that I have quoted, gave a most excellent description of the nature of the emergency with which we are now faced.

Mr. Green: The Prime Minister said there was no emergency.

Mr. St. Laurent: The Prime Minister is quite willing to have his language, which is on *Hansard*, construed by anyone who wishes to read it and it will not bear out the construction suggested by the hon. member for Vancouver-Quadra (Mr. Green).

Mr. Green: Just as much as the statement of the hon. member for Nanaimo bears out the construction that the minister has put on it.

Mr. Garson: We are agreed upon the emergency. As to the propriety of the method by which we were seeking to deal with it, let me quote again from the Leader of the Opposition as follows at page 500:

> Having said that on that occasion and at a time when we were seeking to point out the dangers of the indefinite and almost unlimited powers which were being sought, at that time, I wish to indicate my own support for the proposition now placed before us that such emergency measures as are to be adopted shall be brought clearly before parliament and shall be the results of actual decision of members of this house.

That is precisely what the government was doing under this Emergency Powers Act. The Prime Minister indicated the position of the government. We did not wish to invoke the War Measures Act. What does the Leader of the Opposition have to say as to that? I quote again. He said referring to the Prime Minister:

> He has said that he does not regard it as desirable that the War Measures Act should be invoked because it might convey the impression that war is inevitable.
>
> Since the Prime Minister has referred to this may I point out that never at any time last September, before then or since then, have I suggested that we proceed under the wide powers of that act. When I referred last September to the existence of an emergency I was expressing my own opinion that if legislation is to be effective which bases its validity upon the existence of an emergency so that it may give to the government of Canada, powers ordinarily within the jurisdiction of the provinces, it is desirable to declare that there is in fact an emergency.
>
> I find that the suggestion has been made that on that occasion I was urging that the War Measures Act be invoked. I was not, and I am not now.

Now, if I recall what some of the members of the official opposition have said in the present debate, they were, if I mistake not, repudiating their leader's suggestion—

Some hon. Members: No.

Mr. Garson: —that the War Measures Act should not be invoked, when they said to us "you do not need to use this Emergency Powers Act because you have the War Measures Act".

Mr. Fulton: We were discussing the nature of the emergency itself, that is all.

Mr. Garson: No, let me read one more quotation from the Leader of the Opposition. He said, as reported at page 501 of *Hansard* of February 20, 1951:

> I most heartily endorse the suggestion by the Prime Minister (Mr. St. Laurent) that whatever we say and do here should seek to convey to the people of Canada the thought that a general war is not inevitable. I think that is of immense importance. The spirit in which our people accept whatever deprivations may be necessary as a result of the heavily increased burden of defence will be largely measured by the degree of hope they have in their minds that what is being done now may preserve that peace which every sensible person in the world desires so much today.

Now, if that is the case, and if those are the reasons on which the Leader of the opposition, leading his party, later supported on second reading the principle of this legislation, then I suggest that they apply with just the same force today—if not even greater force—than they did at that time.

Mr. Fleming: May I interrupt the minister. He will agree, I think, that those remarks were not made on second reading of the bill. They were on the resolution stage.

Mr. Garson: That is right. I said that these remarks were made on the resolution stage.

Mr. Fleming: No, on second reading.

Mr. Garson: No; I said that the Leader of the Opposition and his party supported this measure on second reading—and they did support it.

Mr. Fleming: You mean simply that there was not a division.

Mr. Garson: If my hon. friend will look at the record, as I have done, he will see that on second reading there was not an indication even that it passed on division. The house was not divided. And he will see that, after having approved of the principle on second reading, it was only on third reading that the words were added by the Leader of the Opposition, almost as a footnote, when he interjected, "on division".

Mr. Pearkes: How do you do it, then?

Mr. Casselman: Do you stand up and turn a somersault?

Mr. Garson: Surely if it was proper to pass the bill in 1951, and to renew it in 1952 unanimously—

Mr. Fleming: No, no.

Mr. Garson: There was no division in 1952 on the resolution which was put before the house at that time, and my hon. friend knows that.

Mr. Fleming: That was after the Leader of the Opposition had spoken against it. The minister knows the reason there was not a division.

Mr. Garson: I certainly do know how it came about, that there was no division. It means, when there is no division, that members of the opposition do not call for a division. The only proper way in which the opposition members can express disapproval of a measure of this sort is by a certain number of them rising in their places and calling for a division. And they did not do that, with regard to the Emergency Powers Act.

The position today with regard to the emergency is surely as serious as it was in 1951 or 1952. If any member of the opposition thinks that it is not, then I would refer him to the classical description of the present emergency as set out by the hon. member for Nanaimo (Mr. Pearkes) in a debate on a matter connected with the Department of National Defence.

Mr. Green: And the statement by the Prime Minister (Mr. St. Laurent) to the contrary.

Mr. Garson: I cannot say as to that. I am very wary when my hon. friends quote the Prime Minister. I find, with respect, that such quotations are almost uniformly inaccurate. I wish the hon. member would not ask me to agree or to disagree with his quotations of the Prime Minister's remarks.

But I still say that, whether we look at Iran or at the Balkan states, or Malaya, or Indo-China, or Korea, or Tunisia or Morocco or South Africa, or many other places in the world today—or, indeed, regarding the continuation of the war in Korea—there is no less of an emergency today than there was in 1951 or 1952.

Mr. Diefenbaker: What has South Africa to do with it?

Mr. Garson: Unrest, wherever it may be, does not add to the feeling of security, so far as an emergency is concerned.

Mr. Green: May I ask the minister a question? Is it his belief that so long as there are situations such as those in Iran and the other places he mentioned, that the government should have emergency powers?

Mr. Garson: I suggest, Mr. Speaker, that where an emergency of an apprehended war faces a democratic government, that has on its statute books an act like the War Measures Act, the proper course for that democratic government is to come to parliament and ask it to give certain specified emergency powers, under proper precautions as to the tabling of the orders in council and proper precautions as to the control that parliament will have over all the acts done under those emergency powers. And I say that it is quite reasonable that that special act should remain upon the statute books during the continuation of such emergency, rather than that the government and parliament should have to fall back upon the much wider powers of the War Measures Act.

Mr. Green: Even though that condition continues over a period of years?

Mr. Garson: Yes, surely.

Mr. Deputy Speaker: I would point out that it is now six o'clock.

Mr. Fleming: Has the minister finished?

Mr. Garson: No. I think I had better adjourn the debate.

On motion of Mr. Garson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue consideration of this resolution of the Prime Minister respecting the Emergency Powers Act. Then if the Leader of the Opposition is in the house we will take up the resolution to revise the Yukon Act, to continue the discussion of the point of order under standing order 60. Then we will go on with Bill No. 48, respecting food, drugs, cosmetics and therapeutic devices; the resolution in the name of the Minister of Fisheries to approve and confirm the international convention for the high seas fisheries of the north Pacific ocean, signed by Canada, the United States and Japan. Then if we have time we will take up the following bills: Nos. 44, 46, 38 and 39.

Then everyone knows that at eight o'clock the Minister of Finance will make his budget speech.

Mr. Fleming: When is it the intention to call again the government resolution proposing the setting up of the special committee on radio broadcasting, the debate on which was adjourned three weeks ago last night?

Mr. Fournier (Hull): I shall consult with my colleague and give an answer later to the hon. member.

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

HOUSE OF COMMONS

Thursday, February 19, 1953

The house met at 2.30 p.m.

PRIVILEGE

MR. STUART—REFERENCE TO REMARKS BY HON. MEMBER FOR GLOUCESTER

Mr. A. W. Stuart (Charlotte): I rise on a question of privilege. During the debate that took place yesterday in this chamber with regard to the Farm Improvement Loans Act, I took issue with a statement which was made by the hon. member for Gloucester (Mr. Robichaud). When I placed on the record what I believed I had heard him say I was interrupted by several members on my left who stated that the interpretation, or the statement I had put on the record, was incorrect. I have yesterday's *Hansard*, and I should like to read briefly from the remarks that I made, as reported at page 2071 of *Hansard*:

But there was a statement made a few moments ago by the hon. member for Gloucester—

Mr. Graydon: Where is the privilege?

Mr. Casselman: That was in debate.

Mr. Speaker: Order. The hon. member for Gloucester also rose on a question of privilege.

Mr. Weir: They had better go outside and settle it.

Some hon. Members: Oh, oh.

Mr. Casselman: And the Minister of National Revenue (Mr. McCann) could be referee.

Mr. McCann: You are the one who would not come.

Mr. Speaker: Order.

Mr. Graydon: Big talk.

Mr. Speaker: Since both the hon. member from Charlotte and the hon. member for Gloucester would like to settle some question, with the consent of the house they might have this opportunity, if they wish to do it at this time. We cannot go into a long debate.

Mr. Casselman: No; this is debate.

Mr. Speaker: If I do not allow the hon. member for Charlotte to speak I cannot allow the hon. member for Gloucester.

Mr. Stuart (Charlotte): May I be permitted to continue, Mr. Speaker?

Mr. Speaker: From what I have heard it seems to me that this would appear to be some matter that took place during a debate in the house. Whether it should have been raised at that time or whether the debate should be renewed—

Mr. Stuart (Charlotte): My question of privilege had to do with the statement I put on the record. I was informed by hon. members to my left that it was incorrect. I have *Hansard* of yesterday.

Mr. Speaker: Order. I do not think I can allow that as a question of privilege.

Mr. A. M. Robichaud (Gloucester): Yesterday afternoon, Mr. Speaker, during my absence from the house, when I was attending the committee on the revision of the Criminal Code, the hon. member for Charlotte—

Mr. Speaker: Order.

REPORTS OF COMMITTEES

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT

Mr. J. A. Bradette (Cochrane) presented the first report of the standing committee on external affairs and moved that it be concurred in.

Motion agreed to.

STANDING ORDERS

Second report of the standing committee on standing orders.—Mr. MacLean (Cape Breton North and Victoria).

EMERGENCY POWERS ACT

STATEMENT CONCERNING ORDERS IN COUNCIL PASSED

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to complete an answer I gave yesterday to a question of the hon. member for Eglinton (Mr. Fleming) about recent orders in council under the Emergency Powers Act. The order in council to which I referred as having been passed several weeks ago, or perhaps several months ago, was in fact passed on October 30, 1952, and was No. 4410. It was published in the *Canada Gazette*, part II, of November 12, 1952, and tabled in the house on November 20, 1952.

Questions

CENTRAL MORTGAGE AND HOUSING CORPORATION

ALLEGED INADEQUACY OF ANSWER TO QUESTION

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I rise to a question of privilege in connection with the answer to a question I received yesterday concerning Central Mortgage and Housing Corporation. The question was as follows:

1. How many officers and officials of the Central Mortgage and Housing Corporation receive salaries in excess of $7,000 per year, giving names and positions held?

2. Have any salaries been increased in such categories during the year 1952, and the present year to date? If so, what are the names of such persons and the respective amounts of the increases?

Now, what purports to be an answer was as follows:

1. (a) There are 27 officers and officials of Central Mortgage and Housing Corporation receiving salaries in excess of $7,000 per year.

(b) It is not the policy of the government to ask Central Mortgage and Housing Corporation to disclose the names of this group, because of the quasi-commercial nature of the corporation and its competitive position in securing and retaining staff in the mortgage and construction fields.

My point of privilege is this, that the reply is a travesty of parliament. I understand that these men have raised their salaries recently, in one case up to $20,000 a year; and the Canadian taxpayer has a right to know what expenditures are being made of his money.

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, I anticipated that the hon. member would raise a question in the house, so I brought a copy of the Central Mortgage and Housing Corporation Act with me. The question has been asked on a number of occasions by hon. members on both sides of the house, and that is the type of answer that has always been given.

Section 14 (1) of the Central Mortgage and Housing Corporation Act reads as follows:

(1) The corporation may on its own behalf employ such officers and employees for such purposes and on such terms and conditions as may be determined by the executive committee and such officers and employees are not officers or servants of His Majesty.

That should, of course, now be "Her Majesty". That statute, including the subsection I have quoted, was enacted by this parliament. I understand therefore that the answer I tabled yesterday was in accordance with the wishes of parliament when it enacted the legislation.

Mr. Diefenbaker: That does not answer the Canadian people.

[Mr. St. Laurent.]

PENITENTIARIES

TABLING OF REPORT OF COMMISSIONER

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I beg to lay on the table printed copies in English and in French of the annual report of the commissioner of penitentiaries for the fiscal year ended March 31, 1952, which have now been received from the queen's printer. Hon. members will recall that photostat copies of the material contained in the report were tabled on December 1, 1952, in order to comply with the provisions of section 14 of the Penitentiary Act.

QUESTIONS

RONALD POWER

Mr. Thatcher:

1. Has the attention of the Minister of Justice been drawn to the case of Ronald Power, Toronto, who served 10 months in the Don jail for an armed robbery he did not commit?

2. If so, will any compensation be paid this man by the federal authorities?

Mr. Garson:

1. Yes.

2. No. The administration of justice, including the enforcement of the criminal law, is, by the terms of the British North America Act, the responsibility of the provincial or local authorities. The prosecution in this case was initiated and conducted accordingly by provincial or local authorities and without reference to the Department of Justice or other department of the government of Canada. Consequently, any claim for redress should not be addressed to the government of Canada.

TWILLINGATE, NFLD.—PUBLIC WHARF

Mr. Browne (St. John's West):

1. Who built the public wharf, at Twillingate, Newfoundland?

2. Were tenders called for?

3. What was the amount of the successful tender?

4. When was the wharf completed?

5. What was the ultimate cost?

6. Has there been any inspection by an inspector from the Department of Public Works, since the wharf was completed, and has any report been received with reference to condition of the wharf?

7. Has any additional work been done on the wharf, since its completion?

8. Is so, what is the nature and cost of same?

Mr. Fournier (Hull):

1. Chester Dawe Ltd.

2. Yes.

3. $375,000.

4. October 27, 1952.

5. $375,334.75.

6. Yes.

7 and 8. Some extra rock was placed alongside the east side of the wharf to protect it from heavy storms at a cost of $773.49.

POST OFFICE DEPARTMENT—POLICY RESPECTING NEW BUILDINGS

Mr. Robichaud:

1. What is the present policy of the Post Office Department with respect to the minimum revenue required to warrant the building of a new post office in any locality?
2. When was this policy definitely adopted?

Mr. Langlois (Gaspe):

1. $10,000 per annum.

2. In 1945 after the cessation of hostilities, in connection with the post-war building program.

"TWO MINUTES OF EMPLOYMENT FACTS"

Mr. Fraser:

1. How many copies of "Two Minutes of Employment Facts" were printed during the year 1952?
2. How many were printed during the first month of 1953?
3. What was the cost of printing during 1952?
4. What was the cost of printing during January, 1953?

Mr. Cote (Verdun-La Salle):

1. 516,200 copies of "Two Minutes of Employment Facts" were printed during the year 1952. (16 issues).

2. 62,400 copies were printed during January, 1953. (2 issues).

3. The total cost of printing during 1952 was $8,034.49.

4. The cost of printing the January 1953 issue was $796.88. This last named figure is approximate since final billings have not yet been received.

QUESTION PASSED AS ORDER FOR RETURN

CHIROPODISTS AND CHIROPODY KITS

Mr. Fraser:

1. Did the government, during the last year, buy 72 chiropody kits, including instruments, etc?
2. If so, what department of the government ordered these kits, and were they ordered from a United States firm?
3. Has the government any chiropodists in its employ?
4. If so, are they registered Canadian chiropodists?

CANADIAN BROADCASTING CORPORATION

REQUEST FOR FEWER NEWS BROADCASTS CONCERNING THE ROSENBERGS

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, would the government have any objection to notifying the Canadian Broadcasting Corporation to reduce from thrice daily to once daily the broadcast instalments of the lethal Rosenberg serial? I do not ask for an answer, but I expect action.

ARRANGEMENTS FOR TELEVISING CORONATION CEREMONIES

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of National Revenue, under whose department the Canadian Broadcasting Corporation is administered.

Has the British Broadcasting Corporation made arrangements with the Canadian Broadcasting Corporation for the broadcasting of the coronation ceremony over television, free of charge, in line with the announcement of the C.B.C. this morning at eight o'clock that the British corporation would give the American broadcasting companies absolutely free television of the coronation, so long as no advertising was used?

Hon. J. J. McCann (Minister of National Revenue): Not having had any notice of the question, I shall take it as notice and give an answer at a later date.

Mr. Speaker: The hon. member's question was rather long. I am not suggesting that it be put on the order paper because there is a great deal of general public interest in the question. But I would ask hon. members to make their questions more brief.

EXTERNAL AFFAIRS

CANADIAN ATTITUDE TOWARD BLOCKADE OF CHINA COAST

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I wish to ask a question of the Secretary of State for External Affairs. In view of Mr. Dulles' statement of yesterday, as reported in the Montreal *Gazette* of this morning, referring to a possible blockade of the China coast, has the government made known its views to the United States government on this matter? If not, will they do so now?

Hon. L. B. Pearson (Secretary of State for External Affairs): I think the report to which my hon. friend refers merely indicated that the state department in Washington was intensively studying any action, including naval blockade, which might be effective in stopping the flow of strategic materials to communist China. The attitude of the

Canadian government on this question is well known and has been made known to the United States authorities.

UNITED NATIONS

INQUIRY AS TO CANADIAN REPRESENTATION ON COMMITTEE ON KOREA

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Arising out of the reply given by the minister, I would like to ask him who is the representative of Canada at the meeting being convened today by Senator Henry Cabot Lodge and composed of representatives of 16 nations whose troops are in Korea. What is the purpose of that meeting?

Hon. L. B. Pearson (Secretary of State for External Affairs): There is nothing unusual in the meeting to which reference has been made in the press. When the United Nations general assembly is meeting from time to time, representatives of member states actively participating in the Korean operation meet and discuss developments. I take it that this is one of those meetings in connection with the resumed session of the United Nations general assembly and that it is being called on this occasion by the United States delegate to the United Nations. Our representative at the meeting will be the permanent representative to the United Nations, Mr. Johnson.

POTATOES

DROP IN PRICE IN PRINCE EDWARD ISLAND

On the orders of the day:

Mr. P. E. Wright (Melfort): I should like to direct a question to the Minister of Agriculture and I am sorry that I did not have time to give him notice. Perhaps the minister will accept this as notice. Has the minister received any complaints with regard to the serious drop in the price of potatoes in Prince Edward Island and that United States potatoes from Maine are being dumped on the Montreal market? Can the minister indicate whether the government is taking any action in the matter?

Right Hon. J. G. Gardiner (Minister of Agriculture): I will take that as a notice of the question and reply later.

EMERGENCY POWERS ACT

PROVISION FOR CONTINUATION OF ACT FROM MAY 31, 1953 TO MAY 31, 1954

The house resumed, from Wednesday, February 18, consideration of the motion of Mr. St. Laurent that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Powers Act to provide for the continuation of the act for a further period of one year, that is from the thirty-first day of May, 1953, to the thirty-first day of May, 1954.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, when the house rose last evening at six o'clock I was engaged in pointing out that if our hon. friends opposite, as many of them appear to do, were basing their refusal to extend the Emergency Powers Act upon the fact that the emergency which had called it into existence in 1951 had passed, there really was no basis in fact for their argument. I indicated yesterday afternoon the reasons for suggesting that it would be a great mistake upon their part to think that the world is not a dangerous world at the present time because we on the North American continent occupy an island of some tranquillity and prosperity in the midst of it. I suggest that they should not forget that at the present time we have Canadian troops in Korea and on the Elbe and that events could take place in very short order that might require legislative action, or as an alternative, action by order in council, in a matter of hours.

In addition to any argument which might be brought forward to the effect that the emergency has passed, it has been urged by a number of members of the opposition who have taken part in this present debate that the legislation which we are discussing has not been used by the government to any great extent. That is quite correct, but I would point out that when we sought these powers in the first place we told parliament at that time that we would use them as little as possible. That is what we have done.

Last year, in moving the address in the house leading to the extension of the Emergency Powers Act, the Prime Minister (Mr. St. Laurent) outlined in considerable detail the 19 orders in council which had been passed under this statute during the first year of its existence. Inasmuch as the details of those orders in council are set out in considerable detail on pages 2558 and 2559 of *Hansard* of May 26, 1952, I do not think there would be any purpose served in my repeating them now. But perhaps I should indicate the orders in council which were passed under this legislation during the past year and which are five in number.

The first was order in council P.C. 389, of January 1, 1952, which did nothing more than revoke a previous order in council P.C. 3415, which had been passed under this legislation in the year previous.

The second was P.C. 3197 of May 30, 1952. This was the last in a series of orders in council relating to the great lakes seamen's securities regulations.

The third was P.C. 4116 of September 24, 1952, which again revoked a previous order in council P.C. 5122 of September 26, 1951, deferring the weigh-over of grain.

The fourth was P.C. 4525 of November 19, 1952, revoking P.C. 1608 passed on April 4, 1951, which latter was covered in the list of orders in council mentioned last year by the Prime Minister.

The fifth order in council which was passed last year is the only one which dealt with an entirely new subject. This was P.C. 4410 of October 30, 1952, which deals with the licensing of pilots under the Aeronautics Act and the issuing of certificates of proficiency for radio operators under the Radio Act, in order to provide in relation to that field additional security along the lines of the orders in council relating to the great lakes seamen's security regulations.

I suggest that if all these orders in council are examined it will be seen that they can be divided into those which were passed for the time being and were later replaced by legislation passed by parliament as soon as it was possible to secure it, into those which have since been revoked by some of these which I have referred to as having been passed during the past year, and that the notable exceptions to these two groups were the great lakes seamen's security regulations and the regulations for airplane pilots. I suggest that the very good reason why we have passed these security regulations pursuant to the Emergency Powers Act is that they are the kind of regulations the need for which rises out of the cold war. I suggest that we have dealt with them as such and have thereby clearly indicated that we regard these regulations as arising out of the cold war and that we did not wish to have them written into the main body of the statute law of the country with the implication of permanency which their being written into the main body of the law would create.

But even so, if my hon. friends will examine these regulations they will see that they do no more than provide reasonable security against communist sabotage in our great lakes shipping and in the operation of our airplanes along the very same lines that we provide the same type of protection in the vulnerable parts of our civil service. If my hon. friends will examine these orders in council they will see that the civil liberties of the subject are amply protected by their terms, that there is provision for appeal against decisions rendered under them, that no one is deprived of a chance to make a living, as has been suggested by the Leader of the Opposition (Mr. Drew), and that it has only been a very small fraction of the total number of men whose records have been examined who have had records which could not stand up to the tests. In relation to this small fraction all that has happened is that they have been denied access to fields in which they could, if they so desired, carry on espionage and sabotage.

It has been suggested that, because no such similar regulations have been applied to ocean shipping, therefore they should not be applied to great lakes shipping; but I should think it should be very obvious to anyone that the possibility of sabotage upon the part of seamen whose boat is going through the Welland canal or the Sault Ste. Marie canal is much greater than on the part of men who are working upon ships in the ocean itself. I would and do maintain that these regulations in no way prejudice the freedom or civil liberties of the subject, and I am informed that they have worked very satisfactorily indeed in practice.

When hon. members argue that such powers are not necessary because we have not used them to a large extent, after we had undertaken that we would not use them excessively or abuse them in any way, I think they are betraying a complete misconception as to the nature of emergency powers. Anyone who has given the matter any thought at all must realize at an early stage what is comprehended in the essential character of emergency powers. They are powers which are taken in an emergency to deal with matters which must be dealt with more rapidly than parliament can deal with them whether it is in session or prorogued. It is because such matters are more likely to arise during a condition of emergency than during normal times that these powers are taken in the first place. The mere fact that over the past year we have not needed to use these powers extensively is no reason at all, I suggest, that we might not need to use them inside the next twenty-four hours, the next week, the next month or the next six months. A man who has been carrying fire insurance upon his belongings and home, for the period of say twenty-five years, should not cancel his insurance because his house had not burned down during the preceding year. He therefore who argues that we should not have the emergency powers extended because during the past year no occasion for their use by us has arisen is surely taking a position which is an untenable one. If the fact that we have used them so little proves anything, it proves our good faith in the undertaking we gave to parliament that we would use these emergency powers as little as possible. For this

reason I suggest that those of the opposition who have urged the supremacy of parliament, who have urged that the powers of the executive should be limited as much as possible and that parliament should have as much control as possible over the orders in council which are passed under legislation of this sort, should support the extension of this legislation. They cannot be taken very seriously in their support of these three objectives I have named unless they do support this legislation. The fact is that there is a genuine emergency, which they have admitted, and no sensible man can argue that it does not still continue.

Upon a reasonable interpretation of the War Measures Act that emergency entitles the government to invoke its wide powers which are more extensive than those in the Emergency Powers Act. In the War Measures Act no provision is made for supervision by parliament. Instead of invoking these wide War Measures Act powers the government has come to parliament with a specific list of powers that have been incorporated in the Emergency Powers Act, with a view to vesting in parliament some control over the actions of the government when it invokes these powers. For parliament to refuse extension at the present time will, in practical effect, leave the government in the position of having if necessary to fall back on the very wide powers provided in the War Measures Act by the government of Sir Robert Borden in 1914, which act every succeeding government has seen fit to leave upon the statute books. This will leave parliament in relation to the exercise of emergency powers in a very much worse position than it will be if extension of the Emergency Powers Act is now granted.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, it may not be amiss to point out that we are debating a resolution introduced by the Prime Minister (Mr. St. Laurent) which contemplates the introduction of a bill to extend the Emergency Powers Act for a period of one year from the 31st of May, 1953, to the 31st of May, 1954.

Several interesting things have occurred during the course of this debate which I think are worthy of comment. I have mentioned that this is a resolution introduced by the Prime Minister. Thus far the Prime Minister has not chosen to speak in the debate. It is also worth while recalling what occurred on February 6, as recorded at page 1712 of *Hansard*. When my colleague, the hon. member for Kamloops (Mr. Fulton), rose to speak he drew attention to the fact that the Prime Minister was at that moment apparently about to leave the chamber and offered the comment that the Prime Minister apparently thought so little of his own resolution that he was leaving the house at that moment. The Prime Minister is recorded as making this response:

> Mr. Speaker, on a question of privilege, the Prime Minister has other things to do than to listen to the hon. gentleman, when he is using that tone.

The tone in question was, I take it, a tone of criticism. The Prime Minister apparently did not like the tone and thereupon left the chamber, giving as his reason for so doing that he disapproved of the tone used by the hon. member for Kamloops in referring to him and his attitude in the debate.

Some hon. Members: Oh, oh.

An hon. Member: Cheap.

Mr. Fleming: May I say, Mr. Speaker, that when the Prime Minister spoke on the question of privilege raised by the hon. member for Kamloops on February 10 he seemed to think that the addition of the words "when he is using that tone" removed everything invidious from his comment. I think it makes it so much the worse.

Mr. St. Laurent: You are entitled to your opinion.

Mr. Fleming: Nobody expects the Prime Minister to be in this house at all times. We all know that he has important duties to perform. Necessarily the Prime Minister, like the Leader of the Opposition (Mr. Drew), cannot be in the house all the time. But, Mr. Speaker, I think the house is entitled to a better reason for the Prime Minister leaving the house than that he dislikes the tone in which an hon. member of the opposition is proceeding to criticize a government measure and the failure of the Prime Minister to speak on a measure that he himself has introduced.

An hon. Member: You are splitting hairs.

Mr. Fleming: Mr. Speaker, suppose those who follow the Prime Minister had chosen to follow his example on that occasion. It would simply have meant that we would have had a house which was largely empty if the members who normally support the Prime Minister had chosen to follow his example on that occasion; and the reason would have been that they disliked the tone of criticism. Let us have due regard, Mr. Speaker, for that fact in addressing ourselves to a measure under which the government is inviting parliament to vest in the government, for another period of a year, extraordinary and sweeping powers. Here we have a government that is so impatient of criticism in this house that the Prime Minister assigns as his sufficient reason for

leaving the house the fact that he dislikes the tone in which an hon. member of the opposition is proceeding to criticize a government measure and the failure of the Prime Minister to speak in the debate. From that statement of the Prime Minister I suppose hon. members of the opposition can take due notice that they had better beware of the tone of their criticism. That seems to be the inference that is intended to be taken. I observed yesterday that the Prime Minister sat in the house, as he did again today, throughout the entire speech of the Minister of Justice.

Mr. St. Laurent: He was discussing the matter before the house.

Mr. Fleming: I infer that the tone used by the Minister of Justice met with the approval of the Prime Minister.

I wish to comment on the fact that at this late stage in the debate the Minister of Justice—on whom has fallen the burden of supporting this measure owing to the non-participation of the Prime Minister in this debate—has at last found his tongue. He had an interesting time on February 6 in this house with respect to his obstinate refusal to support the motion then introduced and now under debate, and for his refusal to participate in it or to make any statement to the house as to his reasons for asking the house to approve this resolution designed to open the way for a bill to vest in the government these sweeping and extraordinary powers. For that obstinate refusal he hid behind the wrenching of a ruling. Even at that late stage last night we are glad that the minister found his tongue and that he has given to the house a statement of reasons—however poor, however inadequate, however far-fetched—for asking the house to approve this resolution. Personally, I am glad he spoke, I am glad the house gave unanimous consent to his speaking again in the debate. It was the first time he had attempted to give any merits for the resolution. I am pleased, Mr. Speaker, that he spoke again. He clarified some matters and he expounded some doctrines which I think are going to be highly interesting to this country.

In the first place the Minister of Justice proceeded to wrench and to distort beyond all recognition the history of this measure as it has been unfolded in this house in two previous sessions. As I recall it, Mr. Speaker, this measure is two years old. It was debated in the 1951 session and in the 1952 session of parliament. The minister, with full access to the *Hansard* record available to him, undertook to tell this house something that is a monstrous distortion of the facts.

Some hon. Members: Oh, oh.

Mr. Fleming: He said that this measure had been passed with the unanimous approval of the house in the two previous years. Nothing could be farther from the fact, Mr. Speaker, as I shall proceed to show. The Minister of Justice is utterly wrong in what he has said.

Mr. Garson: Will my hon. friend allow me to ask a question?

Mr. Fleming: With pleasure.

Mr. Garson: Did his party or any member of it vote against the bill or against its extension?

Mr. Fleming: I am going to give the minister the whole story. He is not going to get away today with some of his general references as he did last night. I am going to go over every stage of this measure.

Mr. Sinnott: Answer the question.

An hon. Member: He will.

Mr. Garson: Will the hon. member answer my question?

Mr. Fleming: The minister will hear the whole story. I see that the Prime Minister is leaving the house.

Some hon. Members: Oh, oh.

Mr. Fleming: All I can hope is—

Mr. St. Laurent: It is suggested that "the whole story" is going to take forty minutes, and I think I can use the forty minutes to better advantage.

Mr. Fleming: I ask nothing further on the part of the Prime Minister than that abject confession of the fact that he is impatient of parliamentary processes.

An hon. Member: And parliamentary criticism.

Mr. Fleming: And that he has no time in which to listen to criticism of government measures in this house. The Prime Minister dislikes the tone of criticism. For the second time in this debate he has chosen to leave the house. He had plenty of time to come into the house and to listen to the forty-minute speech of the Minister of Justice but he has not time to listen to opposition members dealing with his bill. That is a highly interesting commentary, Mr. Speaker, on the attitude of the government which is demanding at the hands of parliament renewal of those sweeping, extraordinary and unwarranted powers.

I had occasion to refer to what the Minister of Justice had to say. I recall that on February 6, as found at page 1701 of *Hansard*, he undertook to refer to me. Incidentally, this apparently was intended to have reference to some stage in earlier years—I take it in 1951—of the debate on this measure. He says:

> I remember that on one particular occasion I conferred with the hon. member for Eglinton (Mr. Fleming) and a wording was adopted. I asked him on the floor of the house if he was satisfied with it and he expressed his complete satisfaction.

That is apparently put forward by the Minister of Justice as proof of the fact that there was not opposition to the bill; but the fact of the matter is otherwise. I would suggest to the Minister of Justice that when he is pretending to the house that I am in agreement with him on anything, he be very sure of his facts. I say that on this occasion the only circumstance under which there could be any truth in the statement which the minister made and from which I have just quoted is if he is referring to two amendments that were made to this bill in committee of the whole in 1951; I refer to amendments introduced by the opposition. I see the minister is nodding his agreement. I am glad to see that he has got straightened out on that matter, because that is the only point at which I recall that we have been in agreement on this measure at any stage. As I have said, Mr. Speaker, those amendments were introduced by the opposition. They had so much reason and cogency behind them that the government accepted two of them; there were others they did not accept. But that is the only place where I found myself in agreement with the Minister of Justice.

What did happen in 1951? It was quite evident at the time that there was a variety of opinions in the house. It is also evident that opinions have changed in certain quarters very considerably since then. We had evidence on February 6 that the view taken by the C.C.F. members with reference to this measure has changed drastically since the debate in 1951. But I want to recall this fact. The minister will not find, in any of the contributions I made to the debate on this measure in 1951, any support for this measure; and I spoke on it on three occasions.

I have said there were differing opinions in 1951. The Minister of Justice sought to content himself with references to the speech made by the Leader of the Opposition in 1951, at the resolution stage, before the Leader of the Opposition or any of us had seen the text of this measure. Well, the Leader of the Opposition did speak on the subject of the emergency, and he did agree that it was not proper to invoke powers under the War Measures Act. But, Mr. Speaker, when the Leader of the Opposition saw the text of this bill, he expressed a very different point of view in this house. Let me make this quite clear at once. The Leader of the Opposition was not here during the debate on second reading of the bill.

Mr. Sinnott: He is not here today, either.

Mr. Fleming: He was not here on that occasion.

An hon. Member: Where is he now?

Mr. Fleming: He is attending a funeral, if the questioner wants to know in his insensible way.

When the Leader of the Opposition was here, and had the opportunity of participating in this debate, it was then that he called for a division on this bill. This bill passed third reading on division, and the record so shows. The minister cannot deny that.

Mr. Garson: Will my hon. friend permit a question?

Mr. Fleming: Yes.

Mr. Garson: Is he arguing that his party is incapable of forming an opinion on the second reading of the bill in the absence of their leader?

Mr. Fleming: The Minister of Justice (Mr. Garson) has attempted to make a curious suggestion. It is not one that many members of the house would make. I will say to him that I am giving him the reason why he does not find on the record any speech by the Leader of the Opposition during second reading. Had the Leader of the Opposition been here, he would have taken precisely the position on second reading that he took on third reading. The members of the opposition who did speak on this measure on second reading were the hon. member for Kamloops (Mr. Fulton) and myself. We did seek to give the house reasons why the house should not approve a measure of this kind. We did our best to point out flaws in this bill, and the position of the opposition is shown on third reading where it is recorded that the measure was given third reading on division.

Let us go forward now to 1952. Here again the Minister of Justice distorted the facts out of all recognition during his speech last night. What he said was that this measure was unanimously approved in 1952. It was no such thing, Mr. Speaker. What happened was this. The Leader of the Opposition spoke on this measure at some length. He spoke very strongly against this measure, and

pointed out the danger to the supremacy of parliament involved in the extension of such legislation. Nothing could have been more explicit than the reasons for the strong opposition he voiced against this bill. I have to take some personal responsibility for what happened on that occasion. The hon. member for Winnipeg North Centre (Mr. Knowles) followed the Leader of the Opposition, and he had spoken for about twenty-five minutes before the six o'clock adjournment. I had expected to follow him. At six o'clock he indicated that he would be just a few more minutes, but he did not indicate to me that he was going to stop in a matter of five minutes.

The fact of the matter is that when I arrived in this house, at five minutes after eight o'clock after having attended to some business in the *Hansard* offices on the way down which could not be attended to earlier, I arrived in the house with an armful of books and papers with the intention of speaking. It was our intention also that, if the opportunity presented itself, there would be a division forced. I found that the member for Winnipeg North Centre had finished off his speech in record time, and the house had passed on to the next item of business. I take personal responsibility for the fact that the house was not divided on that occasion, because I had a speech prepared for that occasion, much of which I am going to give today. It is for that reason that there was no formal division on this measure in 1952. The Leader of the Opposition did state, however, in the plainest terms, the position of His Majesty's opposition, which was a position diametrically opposed to the continuation of this measure. No fair-minded member of this house can or dare attempt to read the speech of the Leader of the Opposition to any other effect than that.

Now, it is interesting to note that if the Prime Minister had followed the course of giving time enough to offer the house some information on this measure, one would have liked to know, for instance, why it was that in 1952 what was brought in was simply a resolution in pursuance of section 4 of the bill to extend the first three sections of the act for a period of one year? There was not a resolution, and no statement in advance concerning the approval of the Governor General, so far as I am aware. It was a motion for an address and there was a one-stage discussion. Had it been the case that we have this year, with a resolution introduced leading up to a bill, you may be sure there would not have been one division but several divisions on the measure at the successive stages. Last year there was only one stage to this measure. This year there is to be an opportunity to divide this house on all the stages of the measure, and I think that the appetite of the Minister of Justice for divisions will be satisfied before the house has disposed of this measure.

Much has been heard, Mr. Speaker, of the word "emergency" in this debate. If there is one word in the vocabulary of this government that has been worked to death, it is that word "emergency". I have been in this house eight years, beginning with the fall session of 1945. In every session in that period we have had to deal with legislation arising out of what the government has called an emergency. There has been a great succession of emergency measures, the National Emergency Transitional Powers Act, the Continuation of Transitional Measures Act, the Emergency Exchange Conservation Act and the Emergency Powers Act. With each extension of these measures year by year there has been some legislation introduced under the guise of an emergency. I have been looking over the general files I have on the subject of "emergency", and I find that I have already accumulated half a drawer full of files relating to the debates on these measures the government has been introducing year by year on this subject. The result has always been the same. The government has come out of these debates with extraordinary powers; that has been the purpose they had in mind in promoting this legislation.

The house will understand more clearly than ever before that the result of the decision of the privy council in the Nolan case is that once parliament declares that there is in existence an emergency, the courts will not make any inquiry whatever into the truth of that statement. No longer can those who value freedom, no longer can those who respect the constitution of Canada depend upon the courts to inquire into a statement of that kind, no matter how erroneous it may be. No longer do the courts afford any hope whatever of redress in matters of this kind. Such a statement in legislation passed by this parliament is now to be taken as conclusive so far as the courts are concerned.

The Supreme Court of Canada did not go that far, sir, but the Minister of Justice, after having denounced appeals to the privy council as a badge of colonialism, took an appeal to the privy council and has come out of it with such a doctrine as this. In the hands of the majority of parliament they virtually have the right to destroy the constitution of this country and the rights and privileges of Canadians if they choose to do so. In other words, Mr. Speaker, whenever

parliament itself declares the existence of an emergency all constitutional power in this country flows to parliament just by reason of that parliamentary *ipse dixit*. The courts are left in a strait-jacket. It remains for parliament, and parliament alone, to address itself to the propriety of this question.

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

Mr. Fleming: Yes, the third one.

Mr. Garson: Does he deny that there is, in fact, the emergency of apprehended war in Canada?

Mr. Fleming: If the Minister of Justice will possess his soul in patience, he will have my views on that subject. In the meantime, I can assure him that I am going to take up the points he dealt with, and I shall deal with them fully without the necessity for any interruption from the raucous chorus section over there.

Now, Mr. Speaker, in the measure under discussion, in section 2, we have a reference to the existing international emergency which parliament declared in 1951; and when we of the opposition on that occasion, as on previous occasions, urged that the emergency so-called should be described and defined in the legislation, and that only powers commensurate with the emergency should be asked for by the government, we were met with the refusal to spell out in the legislation itself the nature of the emergency. The Minister of Justice has to refer now to the statement made in the house in the debate by the Prime Minister to find his evidence of the existence of this international emergency.

Well, now, on whatever ground the government sought to support the alleged existence of the emergency when the debate on that measure began in 1951 it became quite apparent, before the debate on the measure was concluded, that the ground upon which the majority of the members of this house were supporting such legislation, as I read the debates, was the threat of inflation. Now that may have arisen partly out of government policies following Korea, but partly only. Nevertheless it was inflation that absorbed the attention of most hon. members in this house during the course of that debate. Let us not forget that, Mr. Speaker, in approaching the question whether there was or is now a state of apprehended war.

Last night the Minister of Justice did clarify one thing at least. He did make it quite clear at least that the government now says that the emergency that exists today—not the one referred to in the preamble to the bill that existed in 1951, although I think his words could be properly applied retroactively to 1951, in view of what he said last night—is a state of apprehended war. His remarks on that are quite clear.

The government has been very squeamish up till now about making any such statement but the minister did come out last night with an interesting doctrine, when he expounded the idea that the War Measures Act could be invoked now. Do we realize fully what that means? No member of the opposition has at any time, with reference to this measure in 1951, 1952 or now, said that the government should invoke the War Measures Act. Nobody has said that; nobody proposes that. But the Minister of Justice has said that a state of apprehended war does exist and it follows as the night the day from that statement that the War Measures Act could in their view be invoked by the government.

I do not share the view that the Minister of Justice has expounded. I do say, Mr. Speaker—

Mr. Garson: Your leader did in 1951. He said it in the debate in 1951.

Mr. Fleming: The Leader of the Opposition in 1951 said that the government ought not to invoke the War Measures Act. He opposed it very strenuously. He said in 1951 it would be quite improper for the government to invoke the War Measures Act, and the Minister of Justice has agreed with that. I say, Mr. Speaker, and we of the official opposition say, that no such emergency exists as justifies this parliament in preserving this measure or continuing the extraordinary powers it confers on the government.

The emergency that does exist in Canada today is to a considerable extent of the government's own creation. I know the emergency the government has created in the pocketbooks of the taxpayers.

Let us examine, sir, the powers under this bill and what the Minister of Justice had to say in relation to the powers. He said last night—and he should have known much better if he had read the bill—that this bill confers "certain specified emergency powers" on the government, and he sought to make a point of great distinction between this bill and the War Measures Act. Well, Mr. Speaker, anyone who examines the language of these two measures will not find that what is conferred by this bill upon the government are certain specified emergency powers.

What is it that this bill confers upon the government? Sir, the language of section 2 is clear:

> The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada;

Can you imagine any language any broader than that? That is the identical language of the War Measures Act. The only difference between that general provision in section 2 of this act and the War Measures Act is that this bill refers to the existing international emergency; whereas the War Measures Act refers to invasion, insurrection, war, real or apprehended. That is the only difference. The powers are the same up to that point. And beyond that point what does this bill say? The present measure goes on:

> . . . and for greater certainty, but not so as to restrict the generality of the foregoing terms, it is hereby declared that the powers of the governor in council shall extend to all matters coming within the classes of subjects hereinafter enumerated, that is to say:

And then the language that follows, with the exception of one clause, Mr. Speaker, is a repetition of the language verbatim of the War Measures Act. Therefore, let us not be deluded by the kind of nonsense we heard last night from the Minister of Justice. The only point at which the powers conferred by this act can be distinguished from the powers conferred by the War Measures Act is in section 2 of this bill which purports to except from the breadth of the powers conferred upon the governor in council certain designated exceptions. I remind you, sir, these are only three in number, and one of them, the most important of the three, was put in on the pleas of the opposition in 1951. So let us not be misled by silly talk such as we heard from the minister last night.

I wish, Mr. Speaker, there were time in this debate to review the bill and the breadth of the powers that are enjoyed by the government under this measure, powers virtually without limit. The limits, the only powers that are excepted, are arrest, except as incidental to proceedings under section 3, detention, exclusion or deportation of any person; censorship or the control and suppression of publications; expenditure of money other than in accordance with an appropriation by parliament. Apart from that, Mr. Speaker, this bill proposes to confer upon the government absolute legislative power in Canada, without limit, abatement or limitation. That is just how broad this measure is. It is absolute apart from a few relatively insignificant exceptions. It is absolute; it is the conferring of sovereign power upon the government. That is what this bill is and nothing less.

What has the government said? Well, they said they have not made much use of it, therefore let them have it again. Is that a reason for extending these grand and absolute powers to the government, the fact that even in the midst of all their outpourings on the subject of the existence of an international emergency they have not been able to show any greater reason for it than they have? And let us examine those occasions a little more closely. If we do we will find in the first year of the existence of this measure there were 19 orders passed under it. During the passing of every one of these measures this parliament was in session. I do not say that parliament was sitting every day, because parliament did not sit in July and August, 1951. But parliament was sitting that year from January 30 to December 29. Therefore we are faced with this situation. Every one of these 19 measures was passed while parliament was in session, and yet this government tells us that they must have these powers to legislate while parliament is in session. What is parliament for, if not to legislate? Why should parliament make a travesty of our obligations and our duties today to those who sent us here by handing over to twenty men opposite the power to legislate while parliament is in session? Sir, it is unthinkable if you have any respect whatever for our responsibilities as a sovereign parliament of the Canadian people.

What happened in this past year? The Minister of Justice pointed out this afternoon, as did the Leader of the Opposition in his speech of February 6, that five orders in council had been passed during the whole of last year. And I tell you, Mr. Speaker, that parliament was sitting while three of these five orders were passed. Of the other two, one was a measure to revoke a previous order in council. Then the minister says: These are so important, do not deprive us of our absolute powers. We must have them. But what do we find? How important are these? One of these measures has to do with the amount of steel that can be put in the coining of a five-cent piece. Is this the kind of measure that justifies the assertion that a state of national or international emergency exists, or that justifies the handing over by parliament of sovereign and absolute powers to twenty men? I say it is not.

Out of his own mouth the Minister of Justice has given away the whole case the government apparently hoped to make. And it is not the first time. Now, if this is an

emergency, is there any occasion for a reenactment of this measure? I say there is not; because there are already on the statute books ample powers—yes, more than ample—to meet any situation the government is likely to be confronted with.

I would like to read in full the provisions of the Essential Materials (Defence) Act, passed at the second session in 1950. It is chapter 6, and I draw attention particularly to sections 3 and 4. You will find there a conferring upon the governor in council of very extensive powers to—

> —do and authorize such acts and things and make from time to time such orders and regulations as he deems necessary for the purposes of this act to control and regulate the production, processing, distribution, acquisition, disposition or use of essential materials or the supply or use of essential services.

Mr. Speaker, it is left largely to the government to say what are essential services, and what are essential materials. And the enumeration of the powers that follows shows that the government already has virtually absolute power with respect to what may be considered as essential materials or essential services.

And that is not the only measure of the kind; because if hon. members will refer to the Defence Production Act, which is in the 1951 statutes, chapter 4, they will see in section 15 what are virtually absolute powers given to this government with reference to the whole matter of defence production. I just wish there were time to put on the record the terms of that legislation. And for any government to say, after considering that legislation, that they need more power, is to confess that what this government is interested in is one thing, and one thing only, and that is to possess absolute and untrammelled legislative powers.

Sir, it will be the same thing next year. The Minister of Justice was at pains last night to tell us that this was a continuing emergency, and that it might go on and on. This emergency will go on, you may be sure of it, so long as this government is in office; because if by any chance an election should not be held before May 31, 1954, you may be sure that this government will be back again within that time asking for an extension of these absolute powers. And they will be telling us again that there is an emergency. Certainly, there will continue to be an emergency as long as this government is in office.

An hon. Member: So long as you are here.

Mr. Fleming: This measure raises directly the whole question of the relationship between parliament and the government. It raises directly the whole question of the constitution, and the rather tenuous hold that the provinces possess now upon their legislative powers under the British North America Act.

Our position in this official opposition is crystal clear. We say that it is in parliament that legislating should be done, not behind closed doors or by secret methods such as has been the case with orders in council. And as to the relationship between the dominion and the provinces, we point out that the doctrine expounded in this house last night by the Minister of Justice means just this, that the provinces hold their legislative and constitutional powers in this country today simply at the whim of this government; and that the moment this government decides to invoke a particular measure, then all legislative power flows to Ottawa; and under a measure of this kind, it then flows on through parliament into the hands of the government.

There is a vicious combination. That is the extent to which constitutional government in this country is confronted with peril, both in the House of Commons and throughout the country. And we will not forget that along with this filching of legislative power by this government at the expense of the provinces, and in violation of the constitution, they have gone on at the same time changing the constitution by the extent to which they have been absorbing all tax revenues. In 1939 the dominion government took 51 per cent of the tax dollar in Canada. In 1951, just twelve years later, they took 77 per cent.

I wish to sum this matter up in this way: Parliament, historically, is the champion of the rights of the people. Let parliament transfer its powers to a group called the cabinet, who meet in secret, and Mr. Speaker, you have done more to place in jeopardy the rights of Canadian citizens than by any other action I know of. You are paving the way for a situation where the government can destroy the rights of the people.

Mr. Diefenbaker: A modern star chamber.

Mr. Fleming: A modern star chamber, indeed. We see here once again an expression of that mentality which was so clearly exposed in this chamber two years ago by the Minister of Trade and Commerce (Mr. Howe) when he said, with a jeer, "If we wanted to get away with it, who would stop us?" Well, if this government derives a continuation through this measure of absolute and untrammelled powers, then there will be nothing that can stop this government. This measure presents the whole question of responsible government

as an inescapable issue in this house. Notwithstanding the extent to which the Prime Minister outside the house rhapsodizes about the virtues of our parliamentary system we are faced in this measure with what can be the death knell of our parliamentary system.

In such a measure we have a marrying of three dangerous circumstances under the mischievous doctrine expounded last night by the Minister of Justice: First the doctrine that apprehended war exists and that, therefore, under the constitution, all power flows to Ottawa—from which flows the corollary that the provincial legislatures and the courts are powerless—

Mr. Garson: On a point of privilege.

Mr. Fleming: I have only a moment more.

Mr. Speaker: A point of privilege has been raised.

Mr. Garson: Mr. Speaker, the hon. member is quoting me quite falsely. I never said any such thing as that which he has just said. What I said was that, not under the constitution, but under the War Measures Act passed by a Conservative government under Sir Robert Borden, in a condition of apprehended war, these powers go to the government. That is not what the hon. member has said.

Mr. Fleming: When the Minister of Justice talks about apprehending he had better apprehend things better himself, because he has just misapprehended what I said, just as he has misapprehended everything that went on in 1951 and 1952.

What I said was that the Minister of Justice expounded last night the doctrine that a state of apprehended war exists; and therefore I say that under the constitution, and in the light of what he said last night, all power—all legislative power—flows to Ottawa, and that the provincial legislatures and the courts of this country are powerless, in the light of what the privy council has held, to stop or prevent that flow of legislative power to Ottawa—given the circumstances that the minister expounded last night.

Mr. Garson: Again on a point of privilege. My hon. friend is incorrect in what he says. What I said was that legislative powers flow there by virtue of the War Measures Act, and for no other reason.

Mr. Fleming: Mr. Speaker, it flows from what the government has said as to the extent of the emergency which now exists; because this government has declared, through the mouth of the Minister of Justice, that this situation does exist today, which gives the governor in council power to invoke the War Measures Act.

That being the case, then it follows as night follows day that under the Nolan decision of the privy council neither the provincial legislatures nor the courts of this land will have any powers to prevent the flow of absolute power from the provinces to Ottawa.

The second circumstance in this dangerous combination is that parliament is being invited by this bill to transfer virtually all its legislative powers, thus swollen, to the cabinet.

There is still a third circumstance. While it may not exist much longer, we have here a government which loves power and which is determined to hold on to it at all costs, as is evidenced by the conduct of the Prime Minister in this debate and his great impatience over words of criticism.

That is the situation created by this dangerous combination. You have present all the elements that are needed to transform Canadian democracy into a dictatorship and Canadian confederation into a unitary form of government.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, following the debate on February 6 we in this group are going to oppose the passage of this resolution. We did not make that decision until the debate had gone on for some time. The Minister of Justice (Mr. Garson) did not give us the advantage of speaking on that day and explaining why the government wanted the Emergency Powers Act continued. Even if he had I do not think we would have arrived at any other decision.

The Minister of Justice seems to be very good at interrupting and interjecting when speeches are being made by members of the opposition. It seems to me that he excels in that regard, but when it came to making his case as to why the government should have this measure passed he was not as good.

When we supported the Emergency Powers Act in 1951 we hoped that the government might use it to prevent runaway inflation. We hoped that the government would use it to impose controls and prevent the cost of living from increasing so rapidly. The government did not use it in that regard and we see no reason to believe that the government will use this measure even though a similar inflation recurs. And further at the present time we are not faced with inflation; we seem to be faced with the possibility of a recession.

I listened yesterday to the Minister of Justice and I listened to him today. I do not really know why the government wants this measure. He said, "We are in an emergency; the world is in an emergency." He then went to Morocco, South America and Malaya

and told us that there were emergencies there and that therefore Canada must have an Emergency Powers Act.

If the government needs the Emergency Powers Act it must be because the ordinary peacetime methods of obtaining legislation are inadequate. I do not think that that is the case at all. This house is now in session for the major part of any given year. It seems to be the practice when a session is finished for the government to adjourn parliament and have the members on call. With modern transportation facilities and means of communication parliament can be called together in a matter of twenty-four or forty-eight hours to pass the kind of legislation for which the Emergency Powers Act is now being used.

I have not gone over all these orders in council, but the minister has placed them in three categories. He said that there were orders in council passed for the time being; that is a certain class. Surely these "time being" orders could be dealt with by parliament. Then he said that other orders revoked orders that had been passed in the past. They would seem to be "time being" orders also. They are temporary measures. If those measures are necessary, surely parliament can deal with them by passing the necessary legislation in the ordinary way.

The minister went on to say that there were two exceptions. I did not hear the one, but the other had to do with great lakes security regulations. He said that he did not want that written into the main body of law because it would suggest permanency. It seems to me that such a condition could have been overcome in ordinary legislation. If the government did not want legislation to be on a permanent basis they could have provided for it to expire after one year. Then if the government felt that power was needed after that given time parliament could be asked to approve an extension.

As has been mentioned a number of times, surely it was no great emergency that caused the government to reduce the nickel content of the Canadian five-cent piece. That would not seem to be a world-shaking emergency which would require the Emergency Powers Act.

Another way in which this act was used was to deal with the weigh-over provided by the Canada Grain Act. I notice that that order in council was passed on Wednesday, September 26, 1951, and two weeks later parliament was in session. This kind of legislation would lead any government, composed as it is of human beings, into inefficiency and carelessness. They might say, "Oh, well, we will not have to pass legislation at this session to deal with something that might happen after the session is over because we have the Emergency Powers Act and if anything comes up we will do it under that act".

Looking over the orders in council to which the government has referred, as far as I can see, with the exception of the secret one about which I know nothing, they all could have been done by legislation brought before parliament in the ordinary way. I do not see any reason why we in this house should allow the government to take over the legislative functions that should be the prerogative of parliament.

It seemed to me that in the argument the minister made last night he was threatening us. He said, "If you do not give us the broad powers we want we will use the War Measures Act". He was holding that threat of using the War Measures Act over the heads of members of parliament. He was saying, "If you do not give us these wide powers under this act we have the other measure that could be used, so you have to support us anyway".

Mr. Garson: On a question of privilege, I think my hon. friend will admit on reflection that I conveyed no threats, express or implied, in any remarks that I made. What I said was that if the powers under the Emergency Powers Act were not granted and facts arose which made it necessary to act promptly, we would be forced in the absence of the Emergency Powers Act to use the War Measures Act.

Mr. Argue: I do not think I have wrongly interpreted the minister. If he did say, as he now says he did, that they could use it, if an emergency arose, why then did he say initially in his speech that we are now in the emergency of an apprehended war? I will read what the minister did say, as found in the last paragraph of the first column on page 2082 of *Hansard* for yesterday. He said:

> Now, that being the case, it seems to me—and I offer this suggestion with great respect—that actually those members of the opposition who have said they were in favour of restricting the powers of the executive and of protecting the civil rights of the subject, and of upholding the supremacy of parliament, must support the extension of this bill. If they do not do so, then the position would be that the powers that are now available to the government under the War Measures Act in the present emergency of apprehended war are much more extensive and under less parliamentary control than those which are available under the Emergency Powers Act. We can exercise those War Measures Act powers without coming to parliament at all.

I will let that stand as the minister has stated it; but if it means anything at all it means that if we do not pass this measure, if parliament does not give the government this

legislation, then, because the minister claims we are in a state of apprehended war, the government is going to use the War Measures Act. I think the Minister of Justice should be a little more careful in his terminology when he calls the present emergency an emergency of apprehended war. In introducing this measure in 1951 the Prime Minister (Mr. St. Laurent) said that anything that was said in the house should not lead the Canadian people to believe that we were likely soon to be faced with an all-out war. He said that kind of thing should not be done. I suggest to the minister that the type of speech he made yesterday and today implies a far greater emergency than actually exists.

I for one do not believe that we are facing the immediate possibility of a global war. I will not admit that. I am certainly no lawyer but I would think if we are in a state of apprehended war it should be clear to the majority of members in the house that we are likely to be facing a global war very shortly, in a matter of days or in a matter of hours. The minister shakes his head. Perhaps that just proves that I am not a lawyer. In any case, from the point of view of a layman reading the statement of the minister, I think the minister made the present emergency appear to be greater than the actual emergency that exists.

I do not mean by what I have said that we are not facing a substantial emergency throughout the world. I know that, but I do not think it is an emergency of apprehended war at the moment. As I have said, as far as I can see from reading the minister's speech, and from the way the legislation has been used, everything the government wants to do could be done by parliament in the ordinary way by the government bringing down legislation to deal with particular problems, and that is the way parliament should function at the present time.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I rise at this time to express a personal view with respect to these matters, but I think I can judge fairly well that what I am about to say will represent the attitude that the Social Credit group takes with regard to this measure. Fundamentally and basically we believe in freedom. I think the minister does. Perhaps we would all say that we believe in freedom. Freedom is a principle, and as a principle it is basic to our democratic way of life. If we believe in the principle of freedom as being basic to our democratic way of life, where does the measure before us lead us? Is it not a reversal of that principle of freedom?

We hear a lot about democracy. We hear a lot about our parliamentary institution and our democratic way of life. I think that sometimes those terms need to be defined, but nevertheless we accept in a general way the fact that we are still a democracy. What is needed in this nation and in many of the free nations is not only the window dressing of democracy but an effective democracy. What we need is legislation that will make democracy effective. I have expressed my views on this matter before in the house. The general conception is that democracy is the expression of the will of the people but in actual practice it appears to me that democracy works about one day every four or five years. It works when the people have the opportunity of putting a little piece of paper in a box we call the ballot box. They walk away and from then on democracy ceases to be democracy in practice.

I agree with what the hon. member for Assiniboia (Mr. Argue) and the hon. member for Eglinton (Mr. Fleming) have said with respect to democracy, but I go a step further. The question I would ask is simply this: Is our parliamentary system today, in its operation side by side with the political party system, as effectively democratic as it should be? I know that technically and legally our parliamentary institution is democratic but in actual practice I doubt very much whether it is effectively democratic. Instead of the minister bringing in a measure asking parliament to grant more powers to the cabinet, I should like to see him bringing in a bill that would give a little more power to parliament than it has and make parliament reflect the true democratic principle upon which our way of life is built.

I believe that the measure now before us takes away from parliament the rights and the dignity that are expected of it. It is a reversal of the rights and the dignity of parliament itself. Dictators rise, plunge and rule and take the free nations into slavery. How can they do that? They can do that only when free nations lose the power of their democracy. This has largely been done in places where democracy has not functioned effectively. Power placed in the hands of governments depreciates and, I would say, nullifies the power of the people. The people themselves have placed the privilege of exercising their power, at least in legislative functions, in the hands of their elected representatives. Might I say this. In reality the people did not elect this government. The people elected this parliament.

Mr. Fleming: This House of Commons.

Mr. Hansell: What we are asked to do in this measure is to take the power of the

people and place it in the hands of eighteen or twenty men who were not elected as a government by the people. To my mind that is really a serious thing, particularly when we already have on the statute books what is known as the War Measures Act.

I am not going to enter into any legal exactitudes as to the difference between the War Measures Act and the Emergency Powers Act. That is meat for the lawyers and I am not one. Instead of dealing with the legal aspects of this thing, I like to deal with the philosophic aspects of it. I like to deal with the principle of it rather than the legal technicalities of it. The principle is this. Are we going to have an effective democracy that will reflect the freedom of the people, or are we going to place powers in the hands of a centralized body?

I again deplore the party system which largely renders parliament ineffective. I know that individual members have their arguments; but you do not sit in this parliament very long before you discover that what we really have is democracy in reverse. I am now talking about how it works out in practice. Instead of this parliament having a free hand and passing such legislation as parliament desires to pass and then saying to the government, "This is the people's wish; you are the executive body that should administer it," it works in the very opposite way. The government have the legislation. They have already decided upon it. They bring it down and they say, "We want you to make it legal". That is what is happening.

I must say that, as we sit here year in and year out, we have a tendency to feel that it is a sort of futile proposition. I walk down the corridor and meet a member who says to me, "Who is up?" I feel like saying, "Up where? Up a tree?" Then there is a mental action that takes place in my mind and I say to myself, "Why does he ask who is up? What difference does it make anyway?" That is the situation. Just what difference does it make? We come here and we speak. We talk. But governments have already decided. As a result of our party system it does not make any difference, Mr. Speaker, who wins the argument. We call this debate. Who is to be the judge as to who wins the debate? In our debating societies we have judges, debates are judged on certain points, and a decision is rendered.

Mr. Jeffery: The people decide that.

Mr. Hansell: What did somebody say?

Mr. Fraser: That the people decide that.

Mr. Hansell: The people decide who wins? I am just going to suggest that almost half the people in my friend's constituency do not know whether he is in Ottawa or in some other place.

Mr. Fraser: Timbuctoo.

Mr. Hansell: Maybe they do not care. The people decide who wins the debate? It is won already. I know how this debate is going to be decided.

Mr. Fleming: The government will crack the whip again.

Mr. Hansell: It is going to be decided in favour of the bill. I know that now.

An hon. Member: Do not waste time.

Mr. Hansell: It does not make any difference what arguments I may put up.

Mr. Fulton: They may win the vote but they will not win the debate. They are two different things.

Mr. Hansell: There is a point there. My friend the hon. member for Kamloops (Mr. Fulton) points out that there is a slight difference between the vote and the debate. He says they may win the vote but they will not win the debate. That raises another serious point. What is going to happen is this. There is going to be an overwhelming vote for those who have lost the debate.

Mr. Fulton: That is right. It happens all the time.

Mr. Hansell: The hon. member says it happens all the time. No one will say that my friend the hon. member for Lake Centre (Mr. Diefenbaker), the hon. member for Eglinton (Mr. Fleming) or the hon. member for Kamloops (Mr. Fulton)—I might go around further but I am not sufficiently acquainted with all their professions—are not able to debate. These men are lawyers. I have heard them speak in debate here. They have clever legal minds. No one will say that they are not able to debate. They certainly are able to do so. We are going to tell them that they are already decided against. We get our names in the paper. Somebody is built up as being a great and mighty force in this parliament. But oh, if people only knew! Now what we are being asked to do is to make the thing a great deal worse.

Mr. Speaker, I like to cast my eyes your way, surrounded as you are with all the dignity of that hand-carved chair and of these walls. The tourists come in and the constables say: "You see that ceiling there? It is made of linen, hand-painted with 22-karat gold leaf. The chair was donated by the British parliament and is all hand-carved." The Speaker walks in here attired as he should be in his robes and little three-cornered hat. There

we have all that dignity. What for? Mr. Speaker, you have a high position. I like to think of it as being analogous to the status of a judge. The only difference is this. The judge administers the law and you preside over that body which makes the law. It is a high office; but in reality, Mr. Speaker, I think all that you are is the chairman of a debating society which in the end never wins the debate by a vote. Be that as it may, what we are asked to do in this measure is to give the government more power. You cannot give them more power without releasing it from yourself. You cannot retain power and give it away at the same time. When they ask parliament to give them more power, then they are asking parliament to retain less power. You cannot have it both ways. There are no legal technicalities involved there; that is just plain common sense. I say, Mr. Speaker, that I cannot support this measure.

I believe that under the War Measures Act there is plenty of power to act in a war emergency or what has been termed as apprehended war. I do long for the day when we can really have an effective democracy in Canada which will, at all times, reflect the will of the people. Furthermore, I am going to say this. Just as long as we continue the way we are, the less interest will the people of the country take in their parliamentary institution.

Mr. Mott: Like B.C., where private members cannot speak.

Mr. Fulton: We have not heard from that side.

Mr. Fleming: I should like to hear some of the private members on the government side once in a while if they dare open their mouths.

Mr. Hansell: Democracy, as an effective instrument in Canada, is not becoming stronger. I am afraid that the people themselves, Mr. Speaker, are losing the consciousness they should have of their parliamentary institution. I am afraid that what we need in Canada is legislation that will strengthen in the minds of our people the appearance of our parliamentary institution in the world as an institution for an effective democracy. How often do we hear people talk about politics being dirty. There should be no reason for that. To some people politics is something to be abhorred; that should not be. The actual meaning of the word "politics" is simply the science of government. It should be a thing in which the people are extremely interested at all times. They will not be interested unless we can reflect from this parliament something that is effective, something that will make the people realize that when they send a man to parliament he is going to look after their interests when legislation is introduced.

Why do we talk in this house about a free vote? Why do we say that? Why do we occasionally jump up and ask, "Will the minister permit a free vote"? To me, that is a terrible thing. It is an indictment upon this parliament, and the indictment is that we are not free as we should be. I say that what we need is not legislation giving the government more power; what we need is legislation to bring our parliamentary institution to a place where the power is in the hands of the people through their representatives.

Mr. G. R. Pearkes (Nanaimo): I would not have taken part in this debate, had it not been for the eulogistic remarks made by the Minister of Justice (Mr. Garson) last night concerning the small contribution that I had offered previously. Never in my life had my wildest dreams led me to believe that the Minister of Justice would have referred to my humble effort as "excellent" and as a classic description of certain affairs. However, I was merely endeavouring to clarify a situation which I found confused, and which I think had been confused very largely by the conflicting statements which have been made by the members of the government at various times.

The Secretary of State for External Affairs (Mr. Pearson) had repeatedly declared that we were not engaged in a war but that, as a member of the United Nations, we were engaged in a police action in Korea. A few days ago, on February 16, the Minister of National Defence (Mr. Claxton) was asked a definite question as to whether or not we were at war. He replied, as recorded at page 1962 of *Hansard* for that date, as follows:

> . . . we have never declared or proclaimed a state of war. We are fighting in Korea and the fighting there certainly is tough.

At other times the Prime Minister (Mr. St. Laurent) has referred to the twilight situation in which we now find ourselves. Then again he has referred to the fact that we do, in fact, agree—the "we" being the government—that war is being waged in Korea. He went on to explain that young Canadians would not volunteer for action in Korea, offering their lives, if they did consider it as an ordinary police action. I did, therefore, endeavour to point out to the house such an emergency as I thought existed at the present time, and that was the reason and origin of the remarks that I offered. I am very much indebted to the Minister of Justice for the rather exaggerated and over-complimentary remarks he made regarding that offer.

I should like to offer a few words regarding this Emergency Powers Act which, so far as I can tell, has the purpose of submitting to the executive powers which are usually retained and exercised by parliament itself. This is not the kind of legislation which, in a country which is operating under a democratic system, a government really enjoys, because as has been said repeatedly this afternoon it provides a way for the cabinet to make decisions behind closed doors where there have not been free discussions amongst the various groups having different shades of opinion. Discussion of this type can be made public through the reports in the press and the reports of *Hansard*, so that the general public may decide on the merits or demerits of the legislation which is brought forward under these orders in council.

This legislation provides certain powers which, once they have been conceded, very quickly become deep-rooted, which the minister and the cabinet are very disinclined to realize. It confers those powers upon the cabinet to deal with matters, as has been explained during this debate, touching a great many aspects of the life of this nation. The desire to have those powers seems to me to conform with the pattern, to the danger of which I have in the past called attention. The grave danger this country faces is that we are allowing ourselves to drift into a one-party form of government.

A few days ago I called attention to a very remarkable book entitled "The Passing of Parliament" by Professor Keeton. My remarks drew some attention from the Secretary of State for External Affairs (Mr. Pearson), who took advantage of a nation-wide broadcast to quote something that I was reported as having said, and what I actually did say, namely that in some respects we have travelled a long way on the road to Moscow. The Secretary of State for External Affairs in commenting over the network of the Canadian Broadcasting Corporation said:

> The Canadian people will certainly be interested to learn that that grim despot, our modest and respected Prime Minister, is leading them to the Kremlin.

Well, of course, never in my life did I suggest that anybody in his right mind would think that the Prime Minister was a grim despot. At the same time, modest people can blindly stumble on the wrong road that is not always clear. They do not always know whither they are going, and I do suggest that the road we have stumbled upon now, with many twistings and turnings, will eventually lead us into the kind of government which is exercised in Russia, if we follow it to the conclusion toward which it seems to me to be heading.

In that book to which I have referred the second chapter is headed "The Road to Moscow". The author points out certain elements which are the first requisites of a dictatorship. He enumerates those basic elements in this way:

> 1. A one-party organization in which, although there is wide power of criticism within the party, no external opposition is tolerated.
> 2. An all-powerful executive, which can put into effect the program decided upon by the party, without substantial impediment or modification, especially that which might emanate from an independent parliament.
> 3. An economy which is moulded within the framework of a comprehensive plan, and in which all the more significant activities are government monopolies subservient only to executive control.

One might specify these three elements as being the growth of despotism, the machinery of dictatorship, and the delegation of administration to public corporations and administrative tribunals. I do suggest that those elements perhaps exist in this country today. I am not going to say that we have entirely a one-party organization as yet, but there is a great desire to see the present government and the party which supports the present government continue forever. The supporters of this party believe their government is infallible, and they do resent, as has been shown quite recently, criticism from the opposition. It is very hard for them to tolerate criticism, even though it is offered in a good-natured and a constructive manner.

Secondly, this very act emphasizes the power of the executive, which was the second requisite mentioned by Professor Keeton before a dictatorship could be introduced. One must also remember that we are fast losing the effectiveness of a second chamber, in that through the natural course of events the opposition in the second chamber is numerically very, very weak.

I do not think it is necessary to comment upon the fast-growing number of government monopolies and administrative tribunals which today are strangling some of our industries. This situation does exist in this country, and it is high time the people realize the danger of following the road which we have easily and inadvertently stumbled upon, the road to Moscow, the road which leads eventually—perhaps it is a long way off—to the form of government which we dislike so intensely, the form of government that is practised in Soviet Russia.

In fact we have taken the first steps on that road. It would be quite easy to follow it along and slip from the present position

into an even keener and more intense dictatorship. Therefore I feel that at the present moment we are living on the edge of a dictatorship, and that the transition from this present stage, if we have many more bills such as this emergency powers bill introduced, will be swift and easy.

Mr. A. H. Jeffery (London): I do not think I would be fair to my constituents, to myself or to my profession, if I did not rise in this debate and say that the indignation of the hon. member for Eglinton (Mr. Fleming) is second only to mine with regard to this type of legislation. I believe any government is inclined to take the easy way of getting things done, and I think it is no excuse to say that no government will abuse the power. However, though I do not approve of this act, nevertheless I would hate to see any government—and believe me I have all the faith in the world in this government—using the War Measures Act at this time.

I will not be voting against this measure for the reason that this bill is to be put into effect between May, 1953 and May, 1954. In my opinion in that period there is bound to be an election. That means there will be 60 days when this parliament will not or cannot be in session.

Mr. Garson: Not even in existence.

Mr. Jeffery: Cannot be called; yes. For that reason I feel we should pass this measure, and should not leave it to the War Measures Act. There is too much power there. If there is no apprehended war, as the hon. member for Assiniboia (Mr. Argue) has said, then we cannot use the War Measures Act. I think we must return to the Emergency Powers Act so that, for the 60 or more days during the calling of an election, the government can carry on with the current emergency, and other emergencies that might arise.

Mr. Fleming: Would the hon. member permit a question, and I ask it seriously. If there should not be an election before May 31, 1954; or if there should be an election and the government of the day should ask for a continuation of this legislation for a further period beyond May 31, 1954, if the hon. member is a member of parliament at that time, will he vote against the continuation of these powers beyond May 31, 1954?

Mr. Jeffery: The hon. member is a lawyer, as I am. I am sure he would not give a definite answer to that question. I will say this, that if there is no more emergency than I see at the present time, and always depending upon circumstances, I would take the stand that I am against this type of legislation.

Mr. Sinclair: May I point out that I agree with the hon. member for Eglinton (Mr. Fleming) in his basic assumption that this government is going to be the government after the next election.

Mr. Fleming: No such assumption.

Mr. Fulton: Perhaps the minister would clear up the point as to whether there is going to be an election, so the hon. member would know how to vote.

Mr. Sinclair: Mr. Speaker—

Mr. Fulton: Not you; I was speaking to the minister who might know.

The house divided on the motion (Mr. St. Laurent) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Beaudoin
Bennett
Bertrand
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bourque
Bradette
Bradley
Breton
Brisson
Brown (Essex West)
Byrne
Cameron
Campney
Cannon
Carroll
Carter
Cauchon
Chevrier
Claxton
Cleaver
Cloutier
Conacher
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Crestohl
Croll
Cruickshank
Dechene
Decore
Denis
Deslieres
Dewar
Dickey
Dumas
Eudes
Ferrie
Follwell
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gibson
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Harris
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Hetland
Hosking
Howe
Huffman
Hunter
James
Jeffery
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrançois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie

MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCubbin
McCulloch
McIlraith
McIvor
McMillan
McWilliam
Major
Martin
Masse
Monette
Murray (Cariboo)
Murray (Oxford)
Mutch
Nixon
Parent
Picard
Pinard
Pouliot
Proudfoot
Prudham
Ratelle
Richard (Ottawa East)
Riley
Roberge
Robinson
Rochefort
Rooney
Ross (Hamilton East)
Rousseau
St. Laurent
Schneider
Simmons
Sinclair
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Stuart (Charlotte)
Studer
Tremblay
Viau
Ward
Warren
Weir
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood—154.

NAYS

Messrs:

Adamson
Argue
Aylesworth
Balcer
Black (Cumberland)
Blackmore
Blair
Brooks
Browne (St. John's West)
Bryce
Cardiff
Casselman
Catherwood
Charlton
Courtemanche
Coyle
Diefenbaker
Dinsdale
Drew
Fair
Ferguson
Fleming
Fraser
Fulton
Gagnon
Gillis
Graydon
Green
Hansell
Harkness
Herridge
Hodgson
Johnston
Jones
Knight
Lennard
Low
Macdonnell (Greenwood)
MacInnis
MacLean (Queens)
McGregor
McLure
Montgomery
Noseworthy
Nowlan
Pearkes
Poulin
Quelch
Robichaud
Ross (Souris)
Shaw
Spence
Stanfield
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
Wright—61.

The house went into committee, Mr. Robinson in the chair.

Mr. Drew: Mr. Chairman, I shall wait until hon. members who are not interested in this measure have found their way out of the chamber. I propose to speak at this stage of the proceedings in connection with the measure because I did not have the opportunity to hear any explanation by the government at an earlier stage before I spoke, when the motion was originally put that the Speaker leave the chair. The Minister of Justice, with the consent of the house, decided to present his views as to why it is expedient that the measure be dealt with. We are now at the second stage in the consideration of the proposal of the government that it is expedient to extend the Emergency Powers Act.

In the committee stage an opportunity will be presented to every member of the house not only to put his opinion before the house with regard to what has already been said, but also to deal with what is really before us for consideration at this time. What we have before us now is a declaration that it is expedient to consider an amendment which will have the effect of extending the Emergency Powers Act. We sought to indicate reasons why members of the house should declare that it is not expedient. The vote that has just been taken was for the purpose of dealing with that declaration. That vote has been taken. We are now in committee. We have the opportunity to ask the government for explanations with regard to the resolution.

Although the Minister of Justice dealt primarily with the measure itself, he did indicate reasons why he thought it was expedient that the act should be extended. Therefore we are called upon to take the vote that has just been counted as a vote by the supporters of the government that in their opinion they wish the Speaker to leave the chair and the house to go into committee to consider the matter. Before we proceed to ask those questions that can be asked in committee, I suggest that it is wise and proper to place before hon. members in committee the reasons why we should not proceed one step further with a course of action which is in direct contravention of every fundamental principle upon which the procedure of this house is founded.

The Minister of Justice has not given one single reason why it is expedient that we should extend the Emergency Powers Act, and he did misinform the house as to what had taken place on earlier occasions. When he says that members of the house unanimously approved of the act he is either in ignorance of what took place or has not been informed as to what the situation actually was. The record is perfectly clear, and I can well remember the impatience of the Minister of Justice upon an earlier occasion at the time some effort was being made to impress upon the government why it was so unwise to proceed with a measure of this kind in the period through which we are now passing.

There is an added reason, however, why the danger of legislation of this kind should be in the mind of every hon. member of the house. Since the act was originally placed on the statute books the government carried a case to the privy council which produced

a judgment leaving no doubt about the wide and unrestricted powers of the government under emergency legislation of this kind. The trial court and the Supreme Court of Canada did indicate their opinion that there would be certain restrictions upon the government in its actions under emergency legislation of this nature. The government, which had indicated its disbelief in the privy council, nevertheless carried an appeal to it and from that judicial body obtained a decision which in effect means that once such emergency legislation has been placed upon the statute books of the country, the government may declare an emergency at any time and may make such orders as can be made within the broad framework of that act; that it will not be competent for the courts of the country to challenge the declaration of the government that there is an emergency justifying such conduct, and that it would only be in the most extraordinary circumstances that any order of the government would be declared beyond their powers. In fact it would only be if the government dealt with one of the very limited reservations contained in the act.

The Minister of Justice expressed his opinion that the members of the opposition who have been opposing the legislation had apparently not read it. I think what is apparent is that the members of the opposition have read it, and that they are more conscious of the principles of parliament than is the Minister of Justice whose primary responsibility is to be the custodian of both the traditions and the laws of this land.

The Minister of Justice bases his argument upon a complete and utter fallacy. He says that if we did not have an emergency act of this kind it would be necessary to resort to the War Measures Act. Where is there evidence of any kind before the house at this time that anything has occurred which would make it necessary for the government to resort to the War Measures Act? Where is there the slightest suggestion before this house at this time that, under any conceivable circumstance we can now foresee, it would be necessary for the government to resort to the War Measures Act? It is only necessary to look at what the government did during the past year to see how unnecessary it is for them to resort to the War Measures Act. The things they dealt with were things that never should have been dealt with under emergency legislation at any time. They were things that could and should have been dealt with in this House of Commons, where the members have been sitting for most of the year because of the inefficient way the government has been directing the affairs of parliament throughout the time it has been in office.

Some hon. Members: Oh, oh.

Mr. Drew: Yes. The laughter of the members of the other side merely indicates how little they realize how much the business of this house could be expedited by some attempt to bring that business under some orderly procedure which indicated to the members in advance when discussions were going to take place. Instead of that—

Mr. Garson: Mr. Chairman—

Mr. Drew: No, Mr. Chairman; I am on my feet and I am speaking.

Mr. Garson: —on a point of order—

Mr. Drew: I do not propose to have the Minister of Justice making interruptions constantly, as he does.

Mr. Garson: On a question of privilege, Mr. Chairman—

The Deputy Chairman: I understand that the Minister of Justice is rising on a point of order.

Mr. Drew: He did not say so. What is the minister rising on? Is it a point of order or a question of privilege?

Mr. Garson: On a question of privilege. My question of privilege is this. I refer to my hon. friend's statement that the points which he is now discussing have not been dealt with. I dealt with them earlier this afternoon when he was at another place, no doubt on an engagement. He therefore should not now be suggesting that they have not been dealt with by the government.

Mr. Drew: Mr. Chairman, I regret that I now find it necessary to deal with the implication left by the Prime Minister (Mr. St. Laurent) the night before last, and that now left by the Minister of Justice (Mr. Garson). I dislike doing it, but I am going to tell hon. members that the reason I was out of the house earlier in the week and the reason I was out of the house earlier today was the death of one very dear to the members of my family. I was at a funeral this morning and just got back by air this afternoon in time to come into the house when I did.

Mr. Garson: Mr. Chairman, I would not want my hon. friend to think I made any implication that it was improper for him to be absent because, as a matter of fact, it was explained in his absence by one of his colleagues that he was attending a funeral. I am simply making the point that at an earlier stage I dealt with those points which he is

now discussing. I do so just for his information, so he will not detain the house by going all over them again.

Mr. Drew: Mr. Chairman, when I came into the house I ascertained immediately what had occurred. I then took pains to find out what the minister had said; and I would say that he has explained nothing which in any way offers a reason why we should be proceeding with this act at this time.

Mr. Garson: My hon. friend would know better if he had been here, but he was not here.

Mr. Drew: The Minister of Justice is well aware of the fact that there is a simple procedure by which it is possible for members to ascertain what has been said. I have ascertained what the Minister of Justice said earlier this afternoon; and I repeat that he has placed before this chamber no single argument that supports the proposition now before us, namely that it is expedient to proceed with the extension of this Emergency Powers Act.

I want to emphasize another point in connection with this matter. The minister leaves the impression that we are being told what powers the government would have. He said that if the government wanted to avail themselves of the War Measures Act, they could do so. Of course he has put forward no reason why it would be necessary for them to avail themselves of its provisions. As reported at page 2082 of *Hansard*, the minister said:

> Instead, we are going to ask parliament to say, in the Emergency Powers Act, just what powers parliament is prepared to give to the government under these present conditions of apprehended war.

Mr. Chairman, that is exactly what the government do not do. The government do not place before us the powers they will have or the details of the powers which they are going to invoke. They introduce an act which is so wide and so general in its terms that the government are able, by the simple procedure of declaring that an emergency exists within the terms of this act, to suspend for all practical purposes the powers of this parliament; and they are able to do something more which has not been sufficiently emphasized in this discussion. They are able to suspend all real authority of the provincial legislatures in Canada, in spite of the authority those legislatures were given under our constitution. Those are the powers that are conferred by this act. It is not enough to say, as was said by one hon. member this afternoon and as other hon. members have said on other occasions, "We have complete confidence in the members of this government".

Mr. McIvor: Hear, hear.

Mr. Drew: The hon. member for Fort William says "hear, hear".

Mr. McIvor: Surely; and I mean it.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Chairman, we hear a chorus of "hear, hears" from Liberal members who seem to forget that the way in which democracy died in country after country was with the declaration by the people of those countries that they trusted the government and were prepared to give them unlimited and unqualified powers for the efficient operation of the affairs of the country at that time. Today people are in slavery in different parts of the world simply because those who forgot the fundamental principles of the parliamentary system were prepared to accord to governments powers under which those governments declared that parliament was no longer necessary.

We are not discussing the intention of any individual member of this government. We are not discussing the possibility that any member of this government would consciously or willingly dispose of all the powers of parliament and of the provincial legislatures. We are dealing with what this act does. We are dealing with what can happen under this act. We say that parliament has no right to delegate to the executive its authority and its responsibility, with the only reservation that the wide and dangerous powers it delegates are going to be exercised by men in whom they have complete confidence. That is not democracy. That is not our parliamentary system. It is time we refreshed our memories as to what this parliamentary system of ours really is.

This parliamentary system of ours is now threatened by the intrusion of dangers which would destroy it and also by the distant clouds being built up by those who, by threat of force if not by force itself, seek to limit the freedom of people throughout the world. This system is being threatened as it has not been threatened in generations, even in the midst of great wars that have passed. This system rests upon two great fundamental principles, namely the supremacy of parliament and the rule of law. Both those principles are challenged by legislation of this kind at a time when we are seeking to carry forward normal democratic processes in Canada today.

The supremacy of parliament is concerned because under this act the executive would have power to do the things parliament should do, even though parliament were

sitting, and even though parliament were not sitting but could be brought together within 48 hours with the swift transportation now available. The rule of law is challenged by virtue of the fact that under legislation of this kind no one knows from day to day what the laws will be. The laws are made by orders in council passed behind closed doors, and then people are expected to conform with those laws passed by the executive. These laws only find their way to the public a long time afterwards through the provision that orders in council will later be tabled.

What measure of protection is that? What measure of protection is there in the fact that orders in council which can affect the freedom of the individual, and the economy of this country, are going to be tabled at some later time? Within that period things may have been done which challenge our whole concept of freedom here in Canada. Even those five things that were done under this act last year constituted a serious challenge to our system. Not one of them needed to be done under an emergency act.

Let us recall that one of the things done by the government under this emergency act was to deal with what they regarded as the threat of communism on the great lakes. They decided that, by order in council, they would make provision for the screening of those who are working on the ships in our waters. No one has been more persistent in his demands that we deal with the procedure by which communists seek to undermine our democratic system than I have both in this house and outside. I have never suggested, and I repeat, that communism should be outlawed under that name. I recognize that the easiest thing in the world is to adopt another name for communism, just as the Labour-Progressive party has done in this country and as the various false fronts have done which have been set up in this and other countries. I repeat that if it is possible to know what communism is in dealing with the right of individuals to work on the ships in our waters under the procedure set up by the government, then it must be also possible to define communism or define the acts related to communism in a similar way under laws that the people will understand.

I hate communism and all it stands for. I wish that we could and would define—I believe we can—the traitorous actions which, in support of the Kremlin, seek to undermine our democracy. But I do not believe that if we say here in this house that we cannot define that offence, then the government should be empowered, secretly and behind closed doors, to say that they will deal with that offence by a police force under orders in council whereby none of the ordinary procedures of justice are available to the individuals affected. I do not believe this government has that prescience, that omnipotence, that they are able to define the indefinable when they have secret powers, and cannot define it when the powers are asked for in the open and under laws that the people can read and respect or disrespect under the rule of law.

We are constantly speaking of the fact that this is a parliamentary system; that we respect and preserve the supremacy of parliament and that the rule of law is part and parcel of the parliamentary system. We sometimes forget that there is a deep and important difference between our parliamentary system and the parliamentary system at Westminster. We sometimes forget something of which all Canadians should be proud, something which is part of our history and part of the genius of our people. We sometimes forget that, in Canada, we had the first parliamentary democracy in the world. Britain is a parliamentary democracy in which there is one parliament. We have a federal parliamentary democracy in which there is a national parliament and there are also ten provincial legislatures. We have a constitution which defines the division of authority between the central government and the governments charged with the vitally important responsibilities they assume within each of the provinces of Canada. The parliament at Westminster can pass any law which does not breach those ancient traditions which they would not at any time attempt to destroy. We all remember the statement that in Britain parliament can do anything except make a man into a woman.

The situation here is different. This parliament has not unlimited powers of legislation. This parliament should respect the limitation on its powers, not only the limitation in respect of members of parliament but also the limitations that are imposed upon it by its position within a federal system. This emergency act now before us not only offends the basic principle of parliamentary responsibility and the principle of the rule of law; it also challenges our federal constitution, and challenges the authority of the provincial legislatures.

It is all very well to say that this government has at no time done anything to limit the responsibility or authority of the provincial legislatures under these emergency powers. Of course it has, on many occasions, under other emergency powers. Under this Emergency Powers Act it could override the authority of the provincial legislatures in many ways. Under this act and the Defence

Production Act, which is complementary, it would be possible for this government by the simple device of declaring an emergency to take the operation of all the hydroelectric developments in Canada under its sole and exclusive authority and without asking any provincial government if they thought that was wise or reasonable.

Under this act, if the government so desired, by the declaration of an existing emergency and the appropriate order in council they could take over complete control of the highways in this country. They could take over every transportation system in Canada, and the regulation of those systems. There is not a single phase of the daily life of the people of this country in relation to production or work which could not be taken over by this government under order in council, without a word to parliament or to the provincial legislatures, if the government decided it was wise and proper to do that under the terms of this act. Moreover, it would be possible for this government to decide that, in spite of the reservation to the provincial governments of property and civil rights, it could assume authority, over all those extremely important aspects of public business which are now in the hands of the municipal councils under the provincial acts of this country and under our constitution.

Where in this act is there any reservation of power, any restraint of power which would make it impossible for this government by order in council to declare that it was expedient that some authority be set up to direct the actions of the municipal councils in relation, shall we say, to civil defence, the operation of their own highways, the maintenance of their bridges or various things of that kind? That, conceivably, by some stretch of the imagination, might be regarded under an emergency as part of the combined effort of this country.

Not one word I am saying is to be construed or misconstrued as a suggestion that this country should not do everything humanly possible to build its strength in every possible way to face the threat that confronts us. But, Mr. Chairman, we have been told that this cold war, this twilight war, as it has been described by the government, may go on for 25 or 50 years. Are we for the rest of our lifetime going to live under a system which gives to parliament only such measure of authority and responsibility as they choose to leave it? One hon. member said this afternoon that this is only an extension for a year. We have learned in the past that once an act of this kind becomes embedded in our statute books this government are strangely reluctant to give up the powers conferred in that way although they have no need to exercise them.

An hon. Member: Do you hope to change it?

Mr. Drew: I heard a question asked, "Do you hope to change it?" At the appropriate time the people of Canada will have their chance to say what government they wish to conduct the business of this country.

Mr. Fournier (Maisonneuve-Rosemont): And they will say "no change".

Mr. Drew: The people of this country will make that decision, not the members of this parliament and not those who make the interjections which we have been hearing at various times this afternoon. As we address ourselves to this measure now before us I hope the members who are giving it consideration will bear in mind that we are not called upon to deal with legislation as though we were going to guess the outcome of any election.

I have no hesitation in saying that if, in the wisdom of the people of this country, we should be called upon to form the government, we would return to the supremacy of parliament, the rule of law and the federal system. There need be no doubt on that score. We will uphold the constitution; we will uphold the supremacy of parliament; we will uphold the rule of law and we will uphold the federal parliamentary democracy which is the special genius of Canada itself, the country which first gave that system to the world.

When we consider what we are going to do in connection with this act, let us remember that it is only by a discussion of this kind that we can clarify in the minds of the members, and in the minds of people beyond parliament itself, what the views of this parliament really are and what it is that this government and the supporters of this government are really seeking to do by the resolution now before us, and by the subsequent introduction of the bill when it comes before the house.

I have no intention of testing the tender sensibilities of those who are so concerned about any hint of lack of independence in their voting on the part of those who so regularly support this government. I only point out that in this particular case it is significant that once again there is that measure of unanimity that we see displayed so consistently whenever a measure of this kind is put forward. On other occasions we have heard member after member on the other side explain that they really believed in the resolution that was before the house, but that

they could not vote for it because in all conscience they could not vote against this government.

We heard that a few days ago; I need not mention the debate, because every hon. member will recall it. But once again this afternoon we had an hon. member seek to clear his own conscience by saying that he disliked this measure as much as anyone in this house, but he was going to vote for it because we were going to have an election inside of a year. It did not make any difference how bad the legislation was, he was going to continue it while this government was in power. That is a strange way of clearing one's conscience in regard to matters of this kind.

Now we are told that they are completely independent, and of course we must accept their statements. But it is interesting the way in which they assert their own belief in the very views we are putting forward, and then find some palatable excuse from their own point of view for deciding that they should not exercise that measure of independence which would certainly refresh so many Canadians at this time and restore their belief that members were voting exactly as they thought, without seeking to find some excuse for not doing so.

Now, Mr. Chairman, it seems to me what is most conspicuous in the views that have been expressed by those who seek to declare that it is expedient that we should extend this legislation is the apparent unconcern they display in regard to this challenge to our parliamentary system. If the regular procedure in parliament cannot operate now, at a time when we are called upon to sit in this house for eight or nine months a year, then when is it likely that we ever will be free again to exercise parliamentary freedom within the lifetime of any member of this house? This is the time for us to say that we believe we can operate our parliamentary system. At such time as there is any disturbance so affecting our systems of communication or transportation that the members of parliament could not be called quickly together, then and then only would it be time for us to pass legislation of this kind.

The Minister of Justice describes this as a twilight war. Mr. Chairman, the passing of legislation of this kind, when we have before us the judgment of the privy council in the Nolan case, which extends so far emergency authority of this kind, is indeed carrying us into the twilight zone; but it is not a twilight war. It is the twilight of democracy.

The hon. member for Nanaimo has referred to a book which it would be well for every hon. member to read. He has referred to the chapter in the book under the heading "The Road to Moscow". I have seen comments to the effect that it is inappropriate that anyone should draw any comparison here between the statements made in that very carefully written and objective book and the benign gentlemen who now make up this government. I remember the question: Is it appropriate to speak about "The Road to Moscow" when we look at the benign gentlemen who are administering our affairs at this time?

Well, you know, the strange part of it is that, so far as I have learned from the textbooks, the people now living in the countries beyond the iron curtain have exactly the same number of bones in their bodies, they have two eyes and two ears, a nose and a mouth and, except for their language or their statements, seem strangely like ourselves. And, in fact, they are strangely like ourselves, because many members in this house trace their ancestry back to the same blood as some of those who are now under communist slavery.

We must not for a moment think it is appropriate to change a system simply because we feel that those temporarily entrusted with the responsibility are benign gentlemen, unlikely to abuse the authority that would be conferred. Let us carry that one stage further, to a point that some may regard as carrying the argument to an absurdity, but which it seems to me does illustrate the point I would like to make. Supposing a government—I do not say this government—came before parliament and said that in view of the continuing emergency it was expedient that we should pass legislation which would suspend this parliament for a period of five years, is it thinkable that a single member in the house would say, "Oh, it is quite all right; let us do that".

To say that these benign gentlemen would not abuse their powers and would exercise the emergency powers given them in the intervening period in a way that would be perfectly satisfactory for the people of Canada, is not a sufficient answer. I can imagine someone saying, "But there is no similarity." Where is the dissimilarity? We are simply a parliament by tolerance under this act, that is all.

It is true that the government does not go so far as to say, as has been said under our system on an earlier occasion, "You can go home; you are no use here." The government does not say that in this case; but they do say by the act—whether they put it into words or not—"We ask you to trust us so

completely that we want you to pass an act which, under the judgment in the Nolan case, we can exercise at any time to override the powers of every provincial legislature in this country, to withhold from parliament its ordinary responsibilities, and to deal with any aspect of the economic and personal life of the people of this country, subject only to the minor and relatively meaningless reservations contained in the act".

What is the difference? In one case we continue to meet and to discuss the matter. I agree there are some members who think we should not be discussing this subject. Only this afternoon the hon. member for Macleod (Mr. Hansell) said, "We know what is going to happen. This thing will pass. The resolution will pass at this stage, and then the act will pass." And then a voice on the other side said, "Then what is the use of discussion?"

That is the attitude. They know it will pass, and they say, "What is the use of discussion?" Well, Mr. Chairman, meeting day by day and exchanging ideas as we do in our personal contacts, as well as in the house, it is difficult for many members to see the danger in the course they are being asked to follow.

We are not saying what this government will or will not do. We are simply saying that the government through this measure, under the decision in the Nolan case, is asking for dangerous and unparalleled authority which those who still respect the supremacy of parliament should not confer upon this or any other government in Canada.

If the statement made in the house this afternoon that "this is going to pass; why discuss it" were to be regarded as the views of hon. members generally, then I would recall the words of Cromwell when, upon dismissing parliament, he said there was nothing to be gained by keeping them there any longer, and that they could go home. If members on the other side of the house are simply to be counted as voting dummies, and if members on this side of the house are simply to be counted as those whose opinions should not be expressed because we must know that an overwhelming vote is going to support any proposition put forward by the government, then indeed we have come closer than anyone seems to realize to that day in Britain when for a time democracy was ended and a dictatorship was set up.

An hon. Member: Oh, oh.

Mr. Drew: The laughter I hear from the member on the opposite side is the kind of laughter which it would be well for the people of this country to hear. I grant that the member who laughed is not one of those members we would expect to understand a matter of this kind. In fact the hon. member who laughs has seen the consequences of the failure of those elected by the people to defend the rights of the people through their elected representatives. Nevertheless there are members in the house who have had occasion to study this matter.

That is what is before us here. What we are really being asked now is whether it is expedient that by legislation we should confer upon this government or any other government the right to by-pass the responsibility of the Commons and of parliament, and to override the rights and authority of the provincial legislatures under our constitution by perpetuating this measure for another year, and by that act invite the perpetuation of a system which is so contrary to the genius of our federal parliamentary democracy.

It is not for us to decide whether the Minister of Justice is right when he calls the present a period of twilight war. It is necessary for us to decide whether this is in fact a parliament which can be carried on as a free parliament under conditions which may be carried forward for a great many years.

We hope we do not face the prospects of another world war. We hope so with all our hearts; we hope it above everything else. We hope we will be able to preserve our freedom without another war; we hope we will be able to retain our parliamentary system for long years and keep the strength that comes alone from freedom, and through that strength build the combined power of free nations until at some time in the still distant future those countries now beyond the iron curtain shall assert their desires for their own systems of government, whatever those systems may be.

It will be recalled that there were many times during the great war when the parliament of the United Kingdom, from which we accepted the basic principles of our system, was called upon to meet under actual bombing or in uncomfortable places far removed from the ordinary associations of parliament. When future historians are examining the important events of the last war it may be that they will not point to Dunkirk or to El Alamein or to the invasion of Normandy or to the crossing of the Rhine as the great and outstanding event of the war which decided the course of free men and women throughout the years ahead. It may well be that historians examining what took place during the war will decide that the most important thing that happened was that in Great Britain, the home of our parliamentary system, although the House of Commons had

been bombed out, although for a time they met in an ordinary subway station, although they met under actual bombing, they never chose to abandon the supremacy of parliament or the rule of law.

It may well be that those who examine events from the distant and objective view of history will recall that at a time when London was under the heaviest bombing the British House of Commons sat for two days and discussed the freedom of men then held on the Isle of Man. London could be bombed, buildings could be destroyed, but the rule of law and the supremacy of parliament must be preserved at every expense. That may well be regarded as the most important thing because it stands before us today as an example that we should follow when conditions not only do not justify any argument for the abandonment of the supreme authority of this parliament, but demand an insistence upon the rule of law and respect of our federal system under our constitution.

We are in committee; members can ask questions and can express their views, but once again I urge the government—and I urge them in all earnestness—to reconsider their course, to remember that they have not put before us a single reason why it would be necessary to resort to the War Measures Act if this act were not passed. In fact everything that has been said shows that it would not be necessary to resort to the War Measures Act unless we were under the immediate threat of war and had difficulty in transportation and communication. That would be the only justification.

I also urge the government in all earnestness to recall that they have not shown us any reason why they need these wide powers. They have referred to the fact that last year they used the act so little that we need not be concerned about it. If they needed the act so little last year, why do they need these wide powers today?

Every argument put forward by the Minister of Justice is an argument which should, on reflection, impress upon the government the desirability of coming to this house and saying: We have listened to the arguments put forward; we do believe there is reason for the concern expressed; we do not accept these arguments as criticism of individuals now in office, but we have been impressed with the fact that any law now passed may affect those who will be called upon to assume responsibility at some future time, and we do not think we should pass on powers of this kind to another government because we sometimes have not indicated our confidence in others to do things as well as we do them.

Those who now argue that they have complete confidence in this government, if they still believe that Canada is a democracy and that the people of Canada are free to decide what government they will have, should be the ones to impress upon the government that consistent with the opinions they have expressed they should not pass on such wide powers because they might not be convinced that another government would be so all-wise, so omniscient as some of them seem to believe this government is.

I know some hon. members do not feel that we should be discussing this legislation at the length at which it has been discussed. That is what members of other parliaments have contended from time to time in the past. Without reflecting upon the motives of a single member of this government or of this house, it should be decided that it is not consistent with our federal parliamentary democratic system that at any time when parliament can easily be called together there should be handed to a government the power to declare by order in council that the rights of parliament or of provincial legislatures can be suspended in the way that can be done under this act.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Douglas Abbott (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, last year I began the practice of tabling the budget white paper the day before the presentation of the budget speech. I believe that this procedure met with general approval, and I have followed the same policy this year. I hope that the house as in other years will give unanimous consent to having the white paper printed as part of today's *Hansard*.

With the common consent of all groups in this house the work of this session has been planned so as to begin and conclude our deliberations six or eight weeks ahead of the usual times, so that adjournment can take place well in advance of the date appointed by Her Majesty for her coronation. Consequently it has been necessary to bring down the budget nearly two months before the

customary date. Hon. members will appreciate that this makes it difficult to obtain complete information for the year under review. Many of the figures given in the white paper are of necessity the best current estimates and will be subject to change as later information becomes available.

I have again transferred to the white paper the greater part of the general economic review which forms an essential introduction to the budget. Accordingly I shall confine myself this evening to a brief summary of the main features of recent economic developments and of the outlook for the future. Before doing so, however, I hope the house will allow me to pay a brief tribute to the late Dr. W. Clifford Clark.

Under our system of parliamentary government deputy ministers occupy a position which is difficult to explain to those who are not familiar with the actual operation of our political and administrative system. They carry heavy administrative responsibilities, but they are charged with no political responsibility. In the Department of Finance, however, it is particularly difficult wholly to separate administration and public policy. The Minister of Finance accepts full responsibility for all decisions of policy, but the deputy minister must concern himself with an extraordinarily wide and varied range of policy questions, because almost all such questions sooner or later involve revenue or expenditure. The deputy minister has a constant duty to advise, suggest, warn and point out the short and the long-run implications of alternative policies. At the same time the final decisions are not in his hands and he must be ready to carry out and administer whatever decisions are reached.

Dr. Clark for more than twenty years was a great deputy minister. He was always forthright and vigorous in his presentation of the relevant considerations and the implications of whatever matter was under discussion. He was always completely loyal in carrying out whatever decisions were reached. His capacity for work and his tireless devotion to duty were extraordinary. At the same time he was a quiet and unassuming man, who shunned all personal publicity. His personal and intellectual integrity was of the highest order, his appreciation of the public interest and his love of Canada were intense. His technical skill in matters of financial administration held the admiration of all who knew him, not least among them those in other countries who had occasion to consult or negotiate with him. His sudden and unexpected death was a great shock to me and has been a severe personal loss to his many friends in this house. The people of Canada owe him a greater measure of gratitude than they realize. He has left a lasting imprint on the quality of public service in Canada, and his life and work will remain an inspiration to those who follow.

ECONOMIC TRENDS

Turning now to recent economic developments and the outlook for the future, 1952 has been in most respects a successful year in world affairs. The nations of the free world are in a stronger position than they were a year ago to protect themselves against aggression. The North Atlantic community has achieved an important increase in its defensive strength. Our production lines have begun to turn out in substantial quantity the modern military equipment we need. The defence construction program in western Europe and on this continent is well under way. In Korea, Malaya and Indo-China aggressive communist forces are being held in check. While much remains to be done and we cannot relax our efforts the accomplishments of the past year and the continued development of close co-operation among our allies have provided a more enduring basis for peace and security.

In the economic sphere, there has been a noteworthy reduction in inflationary pressures in many parts of the world. Prices over a wide area have stopped rising and the prices of many of the raw materials, which rose so steeply after the outbreak of the war in Korea, have receded to more normal levels.

There has been a growing recognition of the close relationship between internal financial stability and the balance of payments. The success of many countries in damping down excessive demand internally has brought about a significant improvement in the world exchange situation during the past year. At the end of 1951 the central reserves of the sterling area were falling rapidly, and most sterling countries were running substantial deficits. By the last half of 1952 the reserves were again rising, and at the commonwealth economic conference which the Prime Minister and I attended some two months ago, the representatives of the other commonwealth countries were able to report substantial progress toward their objective of a better balance in their external accounts. These improvements make possible a renewed effort to remove the barriers and restrictions which continue to hamper world trade.

While 1952 saw an abatement of world inflationary pressures and brought some improvement in world trade, international economic relations today are far from satisfactory. Since the war tariffs have been reduced by many countries, but quantitative

restrictions, discrimination and inconvertibility of currencies still persist over a wide area.

These continuing difficulties can no longer be ascribed primarily to wartime losses of productive facilities. The efforts of the people of Europe and elsewhere, with the assistance given by North America, have been successful in making good much of the damage caused by the war, and production in most countries is now greater than ever before. By 1950 it appeared that the post-war inflation had about run its course. However, the outbreak of hostilities in Korea caused world prices again to surge upward and brought intensified inflationary pressures and renewed difficulties in trade and payments.

This setback is being overcome but many of the underlying problems remain unsolved. The greater economic stability and the better balance of trade achieved in 1952 now give the nations of the free world a new opportunity to move forward.

The major instruments for international economic co-operation which were drawn up immediately after the war, namely the Bretton Woods agreement and the general agreement on tariffs and trade, envisaged that convertibility of currencies and multilateral trade would have been restored over a large part of the world by now. These agreements have constituted a valuable means of international co-operation and we need constantly to examine the manner in which they can best be used to facilitate a more rapid attainment of our objectives. Moreover, the bindings of tariff items under the general agreement on tariffs and trade, which were last extended by negotiations held at Torquay in 1950, will run out at the end of this year and further negotiations on a wide scale will be necessary to continue them in effect on a firm basis. These are some of the major tasks for the coming year. It is clear that the time has come for new initiatives.

The commonwealth economic conference which was held in London in December made a significant beginning. The conference decided—

—that a more positive policy can now be adopted, both by the commonwealth countries themselves and in concert with other friendly countries, to promote expansion of world production and trade.

The commonwealth countries stated that it is their aim—

—to secure international agreement on the adoption of policies by creditor and debtor countries which will restore balance in the world economy on the lines of "trade not aid" and will by progressive stages and within reasonable time, create an effective multilateral trade and payments system covering the widest possible area.

If this beginning is to lead to concrete results, there must be close and continuing co-operation between the important trading nations. No lasting solution can be found, of course, without the active and adequate participation of the United States. Early in March the foreign secretary and the chancellor of the exchequer of the United Kingdom will visit Washington to begin exploratory discussions on a collective approach to trade and currency problems. It is to be hoped that this initiative will lead to constructive action. Canada has participated fully in the commonwealth discussions which have led up to this new approach. I need hardly add that we are prepared to play our full part in any common efforts which are designed to achieve a prosperous and expanding world trade.

We here in Canada over the past decade have experienced a period of growth and prosperity unrivalled in our history. As a nation, we have become accustomed annually to breaking new records in production, foreign trade, investment, employment and income. Each year our people set their sights a little higher; we expect almost as a matter of course that we will do better than we did the year before.

Even against such a background of prosperous growth, 1952 stands out as a remarkable year. Last year I based my budget on the expectation that gross national production would rise to $22½ billion. Actually our gross national output reached $23 billion, an increase of more than 7 per cent in value over 1951. With prices relatively stable, most of this increase was brought about by a greater volume of production. The record wheat crop was an important factor in this increase, but many other industries also achieved substantial gains.

It is necessary to point out that the aggregates of total production in 1951 and 1952 obscure some rather significant changes during both of these years. Production was at a high level in the first part of 1951 but fell off noticeably towards the end. The year 1952 started out from these lower levels, but business picked up very early in the year and a remarkably steady expansion in production took place during the remainder of the year.

The increased output represents an impressive rise in the productivity of the Canadian economy. While the improvement resulting from the record wheat crop may be regarded as largely fortuitous, our people as a whole are beginning to reap the benefits of the enormous investments in new plant, equipment and development that have been made since the war. I might add that the record grain crop could scarcely have been harvested

had it not been for the heavy post-war investment by our farming community in labour-saving machinery.

The total of salaries and wages earned by Canadian workers during 1952 rose by 12 per cent, an increase which is considerably larger than the rise in gross national output. For example, the average weekly earnings of labour in nine leading industries were $54.13 in 1952, an increase of $4.52 over 1951.

While production, employment and wages rose in 1952 to the highest levels in our history, it is gratifying to note that prices have not followed a similar rising course. The index of wholesale prices fell by nearly 7 per cent during the year; the index of consumer prices declined by 2 per cent. We have been able to expand our production and income without any apparent renewal of inflation. The strength of our dollar in foreign exchange markets, the fall in world prices of many of the commodities which we import and the general restraint in our monetary and fiscal policy have all contributed to this stability in our general price level.

The rise in labour income, combined with the downward trend of prices, meant that in 1952 most Canadians experienced a substantial improvement in real income. We have had periods of rapid growth before, and periods when our production has risen as sharply as in 1952, but it is difficult to recall a time when we have been able to carry out such a degree of expansion and at the same time maintain a stable price level. 1952 can be justly described as a year of prosperity without inflation.

The stability of prices and the abatement of inflationary pressure made it possible to remove during the year some of the more direct anti-inflationary measures which had been introduced after Korea. Last May the consumer credit regulations were lifted. That same month the Bank of Canada expressed the view to the chartered banks that the special restrictions on bank credit which had been in effect for the previous fifteen months could be removed. Towards the end of the year it was also possible to announce that the deferred depreciation provisions in the Income Tax Act would not apply to property acquired after December 31, 1952. It will be recalled that these regulations were adopted in the 1951 budget as a financial deterrent to expenditure on capital expansion of a less essential nature. It was hoped by this to reduce the competitive bidding up of prices of scarce materials which were required for more essential purposes. The improvement in the supply situation during 1952, particularly in respect of steel, made the regulations no longer necessary.

The containment of inflation and the stability of the general price level in 1952 have been to me a particular source of gratification. Since I became Minister of Finance nearly seven years ago, I have been faced with many economic and financial problems, but none more serious nor more persistent than that of inflation. It would be foolish indeed for me to predict that this problem has been permanently solved. Our experience in 1952 has shown, however, that those who argued in 1950 that we were in for a siege of indefinite inflation have been just as wrong as the pessimists who since the end of the war have been persistently predicting a new depression.

The annual presentation of the budget is a time for national stocktaking, and I think it is desirable before looking at the prospects ahead to examine some of the basic forces which are operating in the economy. We have had high and rising levels of employment, real income has been increasing steadily, the level of production is at an all-time high. The question we have to consider is whether the dynamic forces which have brought this about are likely to continue.

It is difficult to analyse briefly all the factors which affect the level of economic activity. There are four principal forces that provide the basic demand for a country's output of goods and services. These are the expenditures by individual consumers, the investment in new capital goods, the foreign demand for the country's products, and the combined expenditures of governments on goods and services. Needless to say these groups are interdependent; the level of consumers' expenditures, for example, will depend in part upon the level of income, which is in turn related to the over-all demand for goods.

Possibly the most buoyant element on the demand side in 1952 was the sharp rise in consumption expenditures which began in the early spring. Retail sales in the second quarter of the year were more than 25 per cent above those in the first quarter, and nearly 10 per cent above the same period in 1951. This rate of increase was maintained through the remainder of the year. It is evident that the rise in consumer buying was due to a number of favourable circumstances. In part it represented a reaction from the falling off in sales late in 1951 and early in 1952. The decline in prices and the removal of the credit restrictions also contributed to the pick-up in purchases. Probably most

important of all was the steady rise in consumer income throughout the year.

In spite of the very significant rise in consumer spending and retail credit outstanding, there was little apparent change in the pattern of net personal saving as compared with the previous year. In 1951 the net personal saving of Canadians amounted to nearly $1,250 million, or almost 8 per cent of disposable personal incomes. In 1952 it increased to about $1,300 million or 7½ per cent of total disposable incomes. It is noteworthy that the rise in consumer expenditures was financed primarily out of the increased incomes. The rate of personal saving has been maintained and compares most favourably with that of any other country and with previous periods in our history.

Investment in new productive facilities continued unabated through 1952. Natural resource development of a long-range character was again a striking feature. The Kitimat aluminum and Quebec-Labrador iron ore projects were brought closer to completion. New oil pipe lines were being constructed and successful exploration for oil and gas continued at a high rate. It is gratifying that the new discoveries of the past year, including the recent promising finds in New Brunswick, have extended developmental activity to an increasingly wider area of our country. New investment in our manufacturing industry was greater than in any previous year.

While investment in capital goods, equipment, and resource development was higher in 1952 than in 1951, the investment in additional inventories was substantially reduced. The rise in inventories in 1951, amounting to more than $1½ billion, absorbed a large portion of the total increase in national production for that year. The increase in inventories in 1952, however, is estimated to be under $200 million so that almost all of the increase in national production was available for other purposes, including the increased requirements for defence and higher expenditures by consumers.

The use of productive resources for defence was considerably greater in 1952 than in the previous year due to the fact that the production lines for major items such as aircraft, ammunition and electronics were getting into volume production. Except for defence, and purchases in connection with the support of farm prices, there has been virtually no increase in the physical volume of goods and services devoted to the requirements of the federal government.

In 1952 Canada's foreign trade again broke all previous records both in volume and value. Exports were 10 per cent higher in value than in 1951, and about 12 per cent greater in physical volume. Total imports in 1952 were slightly lower in value than in 1951, owing to a fall of about 12 per cent in the average prices of imports, thus offsetting a similar increase in quantity. In fact, during the past year we experienced a significant improvement in our terms of trade, or the ratio between the prices of the goods we export and the prices of the goods we import. While the prices we pay for our imports declined, the prices of our exports were largely maintained. Taking due account of non-merchandise transactions we had a current account deficit in our balance of payments for 1951 amounting to $524 million. In 1952 we had a surplus of $150 million. The improvement in the terms of trade and the strength of the Canadian dollar were factors of considerable importance in the economy during the past year. These two factors contributed materially to the improvement in our balance of payments and also to the general stability of the price level and the rise in real incomes.

A noteworthy feature of our foreign trade in the past year was the attainment of a wider distribution of markets. Exports to the United States were maintained at the 1951 level, in spite of the embargo on our cattle and meat exports which prevailed through most of the year. A somewhat larger proportion of our exports than last year went to the sterling area. Sales to the United Kingdom increased by about $100 million. However, our exports to all other overseas countries, including Latin America and continental Europe, increased by more than $200 million or over 25 per cent during the past year. Our sales to the world outside the United States and the commonwealth made up nearly one-fourth of our total exports, equal to the highest proportion in our history. For example, exports to Latin America, recently visited by my colleague the Minister of Trade and Commerce (Mr. Howe), amounted to $272 million in 1952, more than double our exports to that area in 1949.

The improvement in our balance of payments contributed to the strength shown in the Canadian dollar during the year. From a position of approximate parity with the United States dollar in the first two months of the year, the Canadian dollar rose to a premium of about 4 per cent in September, and then fell off slightly to a premium of about 3 per cent at the end of the year.

The other major factor in the exchange market was the movement of capital across our borders. The inflow of capital for direct investment in oil and mineral development and for the building of new industries was

maintained. The inflow derived from the placing of new issues of Canadian securities in the United States, less the retirements of existing issues, was also substantial, although somewhat below the 1951 level. At the same time there was a large outflow of other forms of capital from Canada induced in part by the premium on the Canadian dollar. The outflow resulted mainly from the sales by non-residents of outstanding Canadian securities, and from the shifts in commercial accounts and balances. Taking all capital movements together, long-term and short-term, we were a net exporter of capital in 1952. In effect the total savings inside the country, taken as a whole, were more than equivalent to the expenditures on our entire domestic investment program.

The combined result of our current account surplus and the net outflow of capital is reflected in the movement in our exchange reserves, which rose by $81 million over the year to a level of $1,860 million at December 31, 1952. As I have stated before, our policy has been to allow the exchange rate to be determined by the normal play of economic forces without official intervention, except to ensure orderly conditions in the foreign exchange market. No attempt is made to reverse persistent trends, but only to smooth out excessive short-run fluctuations.

Although the over-all picture of the Canadian economy in 1952 was highly favourable, the past year was not without its problems and difficulties. The outbreak of foot-and-mouth disease and the ensuing embargo on cattle and meat exports to the United States seriously disrupted the livestock industry. The government took measures to relieve the effects of this disaster by compensation payments and by purchases of meat under the Agricultural Prices Support Act. In addition special arrangements were made for the shipment of Canadian meat to the United Kingdom in exchange for New Zealand meat which was diverted to the United States. The thorough measures which were taken to stamp out the disease have been successful and it is expected that the normal market outlets will shortly be re-established.

In the early part of the year some of our industries were affected by a falling-off in demand for their products, notably textiles and consumers' durable goods. However, the pick-up in domestic business and a more buoyant export demand brought about a significant improvement in the position of most of these industries in the latter half of the year, which has since been maintained.

I now wish to turn to the outlook for 1953. If we look first to the prospective level of capital investment, present indications are that expenditures on the expansion of industry and the development of resources will continue at a high level. The level of activity in the construction industry generally will be affected favourably by the removal of the regulations regarding deferred depreciation, and by the rise in the number of housing starts which is indicated.

The demand for our exports depends upon business conditions and circumstances in other countries, particularly in the United States. It is, consequently, difficult to forecast, but well-informed opinion seems agreed on a continuing high level of activity in the United States for the near future which should sustain demand for our products in that important market. In respect of overseas countries our main exports consist primarily of essential goods and materials which should continue to be in a favourable competitive position.

The general increase in consumer expenditures which took place during 1952 has been sustained during the early part of this year. This increase appears to have been based primarily on a substantial rise in real personal incomes. With labour and other incomes at present running well above the 1952 average, there is strong ground for expecting a continued high level of consumer demand in 1953.

Translating these prospects into monetary terms, I think that we can look forward with some confidence to a gross national product in 1953 greater than the $23 billion achieved in 1952. I based my last budget on an anticipated increase in physical output of 4 or possibly 5 per cent. The record grain crop pushed the actual increase up to around 6 per cent. This is the third successive year in which the expansion in volume of total production was of the order of 6 per cent. In the three years since the beginning of 1950, the total output of our economy has increased by nearly 20 per cent. In trying to assess the prospective increase in production in 1953 we can get some guide from the index of industrial production which for the last quarter of 1952 was from 5 to 6 per cent above the average for the year as a whole. If industrial activity continues at about this rate through 1953, total non-agricultural production would be substantially higher than in 1952. On the other hand, we cannot assume another record grain crop. If we make the usual assumption of an average crop, total agricultural production would be lower than it was in 1952.

Taking all these factors into account I am basing my budget on the expectation that

gross national product in 1953 will be in the neighbourhood of $24 billion, an increase of about 4 per cent. I expect this increase will consist very largely of an expansion in the physical output of goods and services since prices are now below the average for 1952. My estimate assumes, of course, that we will not experience extensive crop failures nor serious industrial work stoppages.

GOVERNMENT ACCOUNTS, 1952-53

I turn now to a brief review of the government accounts for the year which will end six weeks hence. These are set out in the usual comprehensive detail in the white paper tabled yesterday. As explained there, it is not possible at this date to estimate our year-end position with the usual degree of accuracy. At the time we had to go to press we had final figures to the end of December only, preliminary figures for January, but only forecasts for February, March and the March supplementaries.

The over-all results can be briefly stated. Our total budgetary revenues are expected to amount to $4,375 million, our expenditures $4,327 million and our surplus $48 million.

Our total tax revenues will be $4,010 million which is $31 million greater than I had forecast a year ago, and this amount, roughly the equivalent of our additional tax receipts this year arising out of the Ontario tax rental agreement, differed from the forecast by only three-quarters of 1 per cent. Non-tax revenues and special receipts and credits were $64 million greater than my forecast. $45 million, or nearly three-quarters of this excess, has arisen by our taking into revenue this year one-half of our balance in the provincial corporation tax suspense account. This suspense account is still subject to considerable adjustments as final tax assessments on corporations are completed during the coming year, but I have felt it right to bring half the amount into revenue this year, and bring all or most of the remainder into revenue next year.

Our expenditures this year will be $4,327 million, which is $57 million or about 1¼ per cent more than I had forecast. Two large items have come into our expenditures this year for which I could make no provision in the forecast which I made in the budget a year ago. One is the payment of $123 million to Ontario under the tax rental agreement signed in October. The other is the $42 million which is our estimate of losses which should be taken into this year's accounts in connection with our price support policy for beef and pork which in turn was a result of the difficulties ensuing from the outbreak of foot-and-mouth disease last spring. But for these two items our expenditures would have been about $110 million less than my forecast, which in turn is largely the result of the defence program having been unable to get delivery of all the equipment and material expected.

The surplus of $48 million represents just about 1 per cent of our total revenues. In other words we came about as close to a virtual balance of revenue and expenditure as is possible in dealing with the magnitudes reflected in our budget. I should, of course, remind the house that neither our revenues nor our expenditures include the payments into and out of the old age security fund.

I am not going into much greater detail of our expenditures and revenues. These, so far as they are available, are fully disclosed in the white paper. The increase in expenditure, compared with the previous year, is $594 million, but if we have regard to the change in the treatment of our interest payments from a cash to an accrual basis, the proper comparable figure is about $680 million. In round figures national defence expenditures increased $490 million, subsidies and tax rental payments to the provinces increased $210 million, the service of the debt $20 million, family allowances and veterans' benefits $40 million, and agricultural prices support expenditures $40 million. These major items total $800 million of increased expenditure.

On the other hand the new old age security system has relieved the budget of $110 million, there is a decrease of $70 million in our special contribution to the civil service superannuation fund, and the disappearance of the deficit for the Canadian National Railways has saved us about $15 million. These major reductions add up to $195 million.

This means that all other government expenditures for all other purposes have increased $75 million during the year. These increases have been due chiefly to higher salary and wage scales and higher costs of materials and construction, some increases in services supplied and further increases in our projects of scientific and resource development.

The government has not relaxed its efforts toward maximum economy and efficiency in all government operations. There is and there always will be room for further improvement, and we shall continue to press our efforts in this direction. We are, for example, this year inaugurating a suggestion awards plan in the civil service which we are confident will, over the course of time, result in many major and minor improvements in efficiency of operation and will contribute

to still further improvement in the morale and esprit de corps of the public service.

On the revenue side tax receipts are $350 million higher than a year ago and total revenues are up about $400 million. The principal increases, in round figures, are personal income taxes up $210 million, or 22 per cent, corporate income taxes up $100 million, or 9 per cent, commodity taxes up $40 million, and special receipts and credits up $40 million. Of our total revenues 58 per cent have come from direct taxes, 34 per cent from indirect taxes and 8 per cent from non-tax sources.

As usual I want to say a word about our over-all cash position. Apart from and outside the budget we have had to find the very large sum of $625 million for a variety of loans, investments and advances. These are all set out in detail in the white paper. The large items are $125 million to the Canadian National Railways, $65 million for agricultural price support inventories, $75 million to Central Mortgage and Housing Corporation, $50 million to the exchange fund, $35 million to the defence production revolving fund and $100 million to the old age security fund.

To meet this cash requirement for $625 million outside the budget we have had available about $450 million from non-budgetary sources. The most significant items are receipts of $65 million from repayment of loans, and of $170 million in accumulations in various pension and annuity accounts. Full details will be found in the white paper.

To sum up, our non-budgetary receipts were $178 million less than our non-budgetary outlays. We have our budget surplus to apply against this, leaving a remaining cash requirement of $130 million. To meet this cash requirement we have increased our funded debt on balance $141 million, which means we will end up the year with $11 million more cash on hand than we had at the beginning.

This leads me to our operations in the field of the public debt. Again I am using round figures; the exact amounts are detailed in the white paper. During the year our gross liabilities increased by $275 million, our net active assets increased by $325 million, which means that our net debt declined by about $50 million which is, of course, the amount of our surplus. During the year we issued new securities in the very large amount of $3,330 million and we paid off old securities in the amount of $3,190 million, or as I said a moment ago we had a net increase of $140 million in our funded debt.

[Mr. Abbott.]

Our net debt still stands at a high figure in absolute terms but thanks to the reductions we have been able to make during the past 7 years and thanks to the rapid increase in our national productivity it now represents a much more tolerable burden than at the close of the war. I should like with the permission of the house to insert here in the record a short table showing our net debt at the end of each year since 1939, and also showing it in per capita terms and as a percentage of our annual gross national product.

Table I

Net debt of Canada, 1939-1953

As at March 31	Net Debt (In millions of $)	Net Debt Per Capita	Net Debt as a Percentage of Gross National Product
1939	$ 3,153	$ 280	60·2
1940	3,271	287	57·3
1941	3,649	317	53·1
1942	4,045	347	47·5
1943	6,183	524	58·7
1944	8,740	732	78·2
1945	11,298	936	94·5
1946	13,421	1,092	113·3
1947	13,048	1,040	108·5
1948	12,372	965	89·9
1949	11,776	899	75·4
1950	11,645	849	70·7
1951	11,433	816	62·8
1952	11,185	775	52·1
1953	11,137	752	48·5

I commend this table to the attention of hon. members who will see that while our total net debt has declined by 17 per cent since 1946, the per capita debt has fallen from $1,092 to $752 or 31 per cent. In 1939 our net debt was equal to 60 per cent of our gross national product for that year, in 1946 it was 113 per cent of our gross national product, and it now stands at only 48 per cent. To put it in more realistic terms, our 1939 debt represented 31 weeks of the nation's output, in 1946 it was about 60 weeks, but today's debt could be covered by the product of 25 weeks' work. The real burden of our debt has been considerably more than halved over the past 7 years.

As hon. members know, interest rates have risen over the past two years and that has had its reflection in the average interest rate paid on the total funded debt. Two years ago this average was 2·60 per cent, last year it was 2·67 per cent, and this year it will average 2·76 per cent.

FORECAST OF REVENUE AND EXPENDITURE FOR 1953-54

So much for last year. I turn now to my forecast of revenue and expenditure for the year that will begin on April 1 next.

I said earlier this evening that I expect our present level of prosperity to continue throughout this calendar year and I expect a continuation of about the present rate of industrial and general economic expansion. I came to the conclusion that, assuming average crops, we can look forward to a 4 per cent growth in total national output. On these assumptions I expect that our present tax structure would bring in total revenues in the coming year amounting to $4,710 million. I should like to ask, Mr. Speaker, for unanimous consent to insert in *Hansard* at this point the usual table showing the constituents of this total.

Table II

Forecast of Tax Revenues
(Before tax changes)

	Fiscal Year 1953-54 (Forecast)	Fiscal Year 1952-53 (Actual Preliminary)
	(millions of dollars)	
Personal income tax	1,350·0	1,187·7
Non-resident income tax	55·0	54·0
Corporation income tax ..	1,325·0	1,231·1
Succession duties	40·0	38·0
Customs import duties ..	395·0	379·0
Excise duties	280·0	257·0
Sales tax	590·0	568·0
Other excise taxes	300·0	284·0
Miscellaneous taxes	10·0	11·5
Total tax revenues..	4,345·0	4,010·3
Non-tax revenues	290·0	283·8
Total ordinary revenues	4,635·0	4,294·1
Special receipts and credits	75·0	80·5
Total budgetary revenues	4,710·0	4,374·6
Old Age Security Taxes:		
2 per cent sales tax ..	148·0	142·0
2 per cent individual income tax	82·0	45·2
2 per cent corporation income tax	50·0	36·9
	280·0	224·1

On the expenditure side I have already tabled the main estimates which total $4,405 million of budgetary expenditure. These estimates have been prepared with the greatest possible care, but there will be, as always, the inevitable supplementaries. There are likely to be some further losses in respect of government holdings of beef and pork which will not have been sold before the end of this fiscal year, and I would think it prudent at the end of the year to set aside some further modest reserve against our active assets. On the other hand there is certain to be some lapsing of authorized expenditure, though with the increasing care with which the estimates are compiled and screened this is not likely to be as great as we have experienced in some earlier years. All in all, I have come to the conclusion that our total expenditure next year will be about $4,450 million.

With prospective revenues of $4,710 million and expenditures of $4,450 million our present tax structure would yield a budget surplus of $260 million in the coming year.

Before going on to discuss our tax policy, I should inform the house of our probable position on non-budgetary account in the coming year. Apart from and outside the budget we shall have to find cash for loans, investments and advances. The largest items here are likely to be loans to the Canadian National Railways and to Central Mortgage and Housing Corporation, and I expect the revenues in the old age security fund will still fall short of payments, although by a smaller amount than this year. On the other hand, there will again be non-budgetary receipts mainly from loan repayments and from the various pension and annuity accounts. It is not feasible to estimate what changes, if any, there may be in the exchange fund and in the year-end amount of cheques outstanding and other float items. Apart from this, it would appear that our net non-budgetary requirements, excluding funded debt transactions, may be about the same as in the current year, that is of the order of $175 million.

TAX POLICY AND TAX CHANGES

With the economic outlook and the budget prospects as I have just stated them, I have had to decide what tax policy for the coming year best fits these circumstances.

Mr. Graydon: Special circumstances.

Mr. Abbott: Two years ago, when it became clear that our own interests required us to assume an important role in a collective program for ensuring international security, we approached the financial problem with vigour and determination. We had to frame a policy, severe though it might be, which would carry us through this difficult period, and it was bound to affect the everyday lives and fortunes of all of us. This has been done. The result is that a large part of the productive resources of the country, instead of being available to turn out goods and services for immediate enjoyment and use, has been used to meet the threat of aggression. I think no one who knows the facts, either in this country or elsewhere, will accuse this government of having shirked the task of imposing the taxes necessary to pay for our major undertakings in the field of defence. We have insisted on balancing our accounts. To have

done less would have been both imprudent and dangerous. The tax measures adopted in the fall of 1950 and in the spring of 1951 were designed to build a revenue structure which would support the added burden of the defence program, and they have done so.

A year ago, upon re-examining this revenue structure it seemed desirable to remove certain anomalies in the income tax structure and to give some relief where needed in the special excise tax structure. In doing this we had to forgo revenue which on a full year basis would have amounted to about $146 million. Fortunately there was leeway enough to enable this to be done and still anticipate a balanced budget. As it turned out the results for the year, as I stated a few minutes ago, were very close to the estimates made a year ago, our tax revenues being within three-quarters of 1 per cent of our forecast.

For the coming year I propose to follow this same policy of budgeting for a balance. This means, from the figures I gave a few moments ago, that something close to $250 million can now be devoted to tax relief. That this can be done in spite of the estimated increase in the coming year of about 3 per cent in total expenditures is, I think, a great tribute to the Canadian people.

In a very real sense this surplus for tax reduction is the direct result of increased production, efficiency and plain hard work on the part of a united Canadian people. Here is a real social dividend, not one that has been conjured up out of thin air, but one that has been well and truly earned by our people. Greater productivity, increased efficiency and a willingness to work hard and vigorously for good wages, salaries and profits —these are the things that power our country today and make possible this surplus for tax relief.

INCOME TAX CHANGES

With about $250 million available for tax relief it seemed desirable that a substantial portion of this should be applied to easing the strain of the personal income tax. Income tax rates if too high can do harm in many directions. Tax laws should avoid placing too great a penalty on successful effort. Every reasonable incentive should be given to people to work hard, move to better-paid jobs, take risks and expand their businesses without keeping one eye continually on the tax-gatherer. This is particularly important in a growing and expanding country such as ours where there is so much to be accomplished.

Two years ago the house will recall the income tax was increased by means of a 20 per cent surcharge which I stated at that time was a temporary measure. Last year in discarding the surcharge device and in revising the rate structure about two-thirds of the full weight of this surcharge was built into the new schedule of rates. It is now proposed to drop this remaining portion of the surcharge entirely. This proposal will be given effect to simply by repealing the present rates and re-enacting the 1950 rate schedule upon which the 20 per cent surcharge was originally imposed. The effect of this change will be that the average taxpayer will have his personal income tax reduced after July 1 by a little more than 11 per cent. This reduction, of course, does not apply to the old age security tax which stands unchanged.

Because we are on the pay-as-you-go system the present rate of the withholding from wages and salaries will have to remain in force for several months before changes can be introduced; accordingly the changeover giving effect to the tax reduction will, as usual, be made in the middle of the year. From July 1 onward the income tax deducted from the wages and salaries will be reduced for the average taxpayer by about 11 per cent.

Since the reduced rates will have been in force for only six months in this calendar year the average individual's tax bill for the year as a whole will reflect, of course, only one-half the full reduction. The full rate of reduction, however, will, as I said, be reflected from July on. It is estimated that on a full year basis this change will cost in revenue about $155 million, and for the coming fiscal year about $87 million.

With the consent of the house I am placing on *Hansard* the usual tables showing the income tax payable

(1) for the calendar year 1952;

(2) for the calendar year 1953 if no changes were made;

(3) for the calendar year 1953 with the new rates in force;

(4) for a full twelve month period after the new rates are in force.

TABLE III

Effect of Proposed Income Tax Changes

Single Taxpayer

Income	Tax paid for 1952	1953 tax at existing rates before proposed change	Tax for 1953 (6 months at present rates and 6 months new rates)	Tax in full year at new rates
$	$	$	$	$
1,000				
1,200	35	34	32	30
1,500	88	85	80	75
1,800	140	136	128	120
2,000	175	170	160	150
2,250	225	218	205	193
2,500	274	265	250	235
2,750	323	313	295	278
3,000	372	360	340	320
3,500	484	470	443	415
4,000	596	580	545	510
5,000	820	800	750	700
7,500	1,487	1,450	1,360	1,270
10,000	2,301	2,250	2,105	1,960
20,000	6,951	6,750	6,355	5,960
30,000	12,371	11,950	11,305	10,660
50,000	25,195	24,354	23,084	21,814
75,000	42,965	41,554	39,409	37,264
100,000	61,960	60,004	56,859	53,714
200,000	145,880	141,404	133,909	126,414
400,000	327,570	318,344	300,729	283,114

NOTE (1) The old age security tax of 1 per cent of taxable income (maximum tax $30) in 1952 and 2 per cent of taxable income (maximum tax $60) in 1953 is payable in addition to above amounts.

(2) In calculating the above taxes it has been assumed that where incomes are in excess of $30,000, that part of income which is in excess of $30,000 is from investments, but no account has been taken of the tax credit for dividends from Canadian corporations.

TABLE IV

Effect of Proposed Income Tax Changes

Married Taxpayer—No Dependents

Income	Tax paid for 1952	1953 tax at existing rates before proposed change	Tax for 1953 (6 months at present rates and 6 months at new rates)	Tax in full year at new rates
$	$	$	$	$
2,000	44	43	40	38
2,250	88	85	80	75
2,500	132	128	120	113
2,750	175	170	160	150
3,000	274	265	250	235
3,500	372	360	340	320
4,000	596	580	545	510
5,000	1,206	1,175	1,103	1,030
7,500	1,946	1,900	1,780	1,660
10,000	6,431	6,250	5,880	5,510
20,000	11,796	11,400	10,780	10,160
30,000	24,565	23,754	22,509	21,264
50,000	42,280	40,904	38,784	36,664
75,000	61,220	59,304	56,184	53,064
100,000	145,060	140,604	133,159	125,714
200,000	326,690	317,484	299,924	282,364
400,000				

NOTE (1) The old age security tax of 1 per cent of taxable income (maximum tax $30) in 1952 and 2 per cent of taxable income (maximum tax $60) in 1953 is payable in addition to above amounts.

(2) In calculating the above taxes it has been assumed that where incomes are in excess of $30,000, that part of income which is in excess of $30,000 is from investments, but no account has been taken of the tax credit for dividends from Canadian corporations.

TABLE V

Effect of Proposed Income Tax Changes

Married Taxpayer—with Two Children Eligible for Family Allowances

Income	Tax Paid for 1952	1953 tax at existing rates before proposed change	Tax for 1953 (6 months at present rates and 6 months at new rates)	Tax in full year at new rates
$	$	$	$	$
2,300				
2,400	18	17	16	15
2,500	35	34	32	30
2,750	79	77	72	68
3,000	123	119	112	105
3,500	215	208	196	184
4,000	313	303	286	269
5,000	529	514	484	453
7,500	1,129	1,100	1,032	964
10,000	1,854	1,810	1,696	1,582
20,000	6,275	6,100	5,738	5,375
30,000	11,624	11,235	10,623	10,010
50,000	24,376	23,574	22,337	21,099
75,000	42,075	40,709	38,597	36,484
100,000	60,998	59,094	55,982	52,869
200,000	144,814	140,364	132,934	125,504
400,000	326,426	317,226	299,683	282,139

NOTE (1) The old age security tax of 1 per cent of taxable income (maximum tax $30) in 1952 and 2 per cent of taxable income (maximum tax $60) in 1953 is payable in addition to above amounts.

(2) The above figures show the actual income tax liability of a taxpayer with family allowance children but in order to arrive at his true net position the amount of family allowances received for his children must be offset against his tax liability.

(3) In calculating the above taxes it has been assumed that where incomes are in excess of $30,000, that part of the income which is in excess of $30,000 is from investments, but no account has been taken of the tax credit for dividends from Canadian corporations.

For some years I have expressed concern over the high level of taxes on corporate profits. It seemed appropriate, therefore, that part of the amount available for tax abatement should be applied in this direction. At present the tax, excluding the old age security tax of 2 per cent, takes 20 per cent from the first $10,000 of profit, and 50 per cent from the excess over $10,000. In the first place it is now proposed to increase from $10,000 to $20,000 the bracket to which the low rate applies. This, it seems to me, is a useful way to give relief to relatively small businesses which generally have to do their financing out of their own earnings.

While by far the greater part of our corporation tax revenue comes from large corporations, the small corporations are by far the most numerous. All corporations, of course, both large and small, will be affected by this widening of the low tax bracket. It is estimated that as a result of increasing the $10,000 figure to $20,000 fewer than 30 per cent of our corporate taxpayers will in future be paying the standard rate of tax or, stated another way, about 70 per cent of corporate taxpayers will pay not more than the low rate on all their profits.

My second recommendation in this field is for a moderate reduction in tax rates. I propose reducing the standard rate of corporation tax from the present 50 per cent rate to 47 per cent, and to apply an 18 per cent rate instead of the present 20 per cent rate to the first bracket which, as I have said, will in future be $20,000. As a result of these two changes the new rate structure applying to profits earned on and after January 1, 1953, will be 18 per cent, plus 2 per cent old age security tax, on the first $20,000, and 47 per cent plus 2 per cent on profits in excess of $20,000. It is estimated that as a result of these changes in the corporate tax structure the revenue loss for a full year will be about $120 million, and for the coming fiscal year about $85 million.

In 1949 provision was made in the Income Tax Act for a credit against personal income tax of 10 per cent of the dividends received from Canadian tax-paying corporations. At that time I said this was a first step in dealing with the situation under our present tax structure where, after taxing corporate profits at a very high rate, the individual is required to pay at graduated rates on the dividends paid out of corporate profits. I now propose a second step of the same length and in the same direction. That is to say, for dividends received in the calendar year 1953 and thereafter the tax credit will be increased from 10 per cent to 20 per cent. Canada is fortunate these days in being able to attract enterprising foreign capital. This is desirable and we welcome it. At the same time it would seem to be a good thing if Canadians were encouraged, where they can safely do so, to join in a wider participation of equity ownership in the expanding industrial wealth of our country. This dividend credit of 20 per cent should, I think, be of considerable assistance in encouraging our people to increase their stake in Canada's future. On a full year basis this addition to the tax credit is estimated to cost $20 million in revenue, and $12 million for the coming fiscal year.

During the past year or so there has been considerable discussion in this house and elsewhere regarding the income tax deduction for medical expenses. At present the law recognizes unusual medical expenses, that is, expenses in excess of 4 per cent of the taxpayer's income. The government has been urged to consider removing this 4 per cent floor and, in effect, to allow a deduction for usual as well as for unusual medical expenses. As the house knows, I have given very careful consideration to this widely-supported proposal. Quite recently in speaking on the resolution dealing with this subject, sponsored by the hon. member for Winnipeg North Centre (Mr. Knowles), I gave my reasons for not being able to recommend complete removal of the 4 per cent floor. I shall not repeat these reasons now. At that time, however, I promised to look further into the question of the level of the floor and to consider whether some lowering of it might be justified. My colleague, the Minister of National Health and Welfare (Mr. Martin), has also considered this matter and has carefully reviewed the latest statistical data in this field. From this review he concludes that while the broad field of medical expenses as commonly understood may on the average be at least 4 per cent of income—it is 5 per cent in the United States—it would appear that the range of medical expenses which would qualify for inclusion in the deduction under the Income Tax Act would not on the average exceed 3 per cent of income. On the basis of this further consideration of the data it is now proposed that the 4 per cent floor in the present law be lowered to 3 per cent with effect this year. This move is estimated to cost about $10 million on a full year basis.

There are quite a number of other income tax matters which deserve mention. For example, it is proposed in future to allow parents to claim a deduction for dependent children attending university even though the children are over 21 years of age. The figure of $600 now prescribed as the upper limit of income which a dependent may earn and still be regarded as a dependent will be increased

to $750. Expense allowances for elected municipal officials will be made deductible for income tax purposes if they conform with the limits established in respect of the allowances for federal and provincial elected members, that is, they will qualify to the extent that they do not exceed one-half the amount payable by way of salary, indemnity and other remuneration. Special provision will be made to alleviate the tax on refunds paid out as a result of reorganizations of pension plans. This will apply, of course, in the case of the Canadian National Railways pension plan reorganization which has been of interest to many hon. members.

During the past year certain other features of the income tax have given rise to considerable concern. The subjects are quite technical and, accordingly, they are not appropriate for full elaboration in the budget speech but I should like to comment briefly on some of them. For example, the income tax appeal board in a number of cases involving the sale of tickets for goods or services to be delivered or performed in the future have dismissed appeals against assessments which disallowed claims for certain so-called reserves. In the meantime this general question has been given careful study, and while I cannot here go into all the details I can say that I believe a proper solution has been found for most of the problems of this sort.

The taxation of interest on bonds sold between the dates on which interest is payable has caused some concern in the financial world and various briefs from national organizations have urged consideration of this problem. Amendments will be made which I think will take care of this problem satisfactorily.

Numerous complaints have been received in past months from persons who have incurred considerable tax liability through the acquisition by certain companies of their outstanding preferred shares. Under the law this premium over the par value paid in the purchase price is taxable income to the seller. It has been established that on selling these shares people were not aware of the fact that the issuing company was the actual purchaser of the shares. In order, therefore, to make sure that the law has not operated unfairly in these circumstances it is proposed to repeal, effective January 1, 1949, this provision which places a tax on the shareholder when a company acquires its shares at a premium other than upon redemption after notice. At the same time an amendment will provide that the amount of the premium paid by the company to shareholders upon acquisition during the period covered by the retroactive repeal of this tax on the shareholder will not be allowed as a deduction by the company in computing undistributed income on hand. Where notice is given by a company of the redemption of an outstanding issue the shareholders ordinarily can be expected to govern themselves accordingly.

For the future it is proposed also to repeal the tax on premium received upon redemption of preferred shares. I shall be recommending that henceforth any company paying a premium on redemption or acquisition of preferred shares must charge such premium paid against its tax-paid undistributed income on hand or, alternatively, pay a tax of 20 per cent on the amount of premium so paid to shareholders.

Other recommendations in the income tax field will include the extension for an additional year of the allowances now granted for mineral and petroleum expenses, including the special provision for deep-test wells. Also, an additional year will be added to the period within which, upon coming into production, new mines will be given a three-year exemption.

In addition to the renewal of these allowances there are two new provisions which will be recommended and which, I think, deserve mention here. The first of these is that mining companies be allowed a deduction in respect of oil or gas exploration expenses. This, I think, is a sensible proposition having regard to the similarities in these two fields of natural resource development. For the future, therefore, these two groups will be combined for purposes of the allowances in respect of exploration expenses. It is hoped that the result of this amendment will be greater participation by Canadian capital in the oil and gas industry.

The other proposal in this field is to include among deductible expenses the so-called bonus payments for leases which turn out to have been unproductive. The deduction will be allowed in the year of abandonment of the lease in respect of which the bonus was paid. This provision should considerably improve the competitive position among companies bidding for oil leases in our western provinces.

The income tax amending bill will as usual contain numerous technical changes of which mention cannot be made here. To a large extent these changes follow upon representations from responsible organizations and they are important in keeping our law up to date and as fair as possible.

I shall be proposing no amendments this year to the Dominion Succession Duty Act.

FEDERAL-PROVINCIAL RELATIONS

I should now like to say something about the general problem of federal-provincial financial relations, because the budget speech has traditionally been the occasion for reviewing broadly the main problems in the field of financing the services of government.

All federal states are inevitably faced with some conflict of jurisdiction between different levels of government. Just as inevitably the problem, in an ever-changing world, is bound to be a recurring one. No solution can ever be more than temporary. In view of the fundamental changes in the situation facing all levels of government in Canada which have taken place over the past few decades it is not surprising that federal-provincial relations should have thrust up new problems. The wonder is that our confederation instead of breaking down under the strains has gained strength and stability from decade to decade.

May I illustrate what I mean by reviewing the situation confronting the federal government today. The budget I am presenting this evening—a peacetime budget mind you—calls for the collecting and spending of some $4¾ billion. Of the main items making up this total, over $2 billion is needed for defence. Interest on the national debt, which can be almost entirely ascribed to past wars, amounts to about $450 million. These two items taken together add up to more than $2½ billion. Together they can be regarded as the price for international security.

The general field of what might be called welfare expenditure absorbs about another billion dollars. This amount can be described as the current bill for social security. Thus, out of total federal expenditures of $4¾ billion, $3½ billion, or nearly three-quarters of the total goes towards maintaining either international security or social security. If now we look back to federal budgets of, say, 25 years ago these two items which today absorb $3½ billion, or nearly three-quarters of our total expenditure, were scarcely in the picture at all, or were small according to present-day standards.

If the federal budget of today consisted only of the sort of expenditure which, under the prevailing ideas of only a few short years ago, was regarded as all that was necessary or proper for the federal government to undertake, I could come very close to balancing my budget if I had only at my disposal the traditional nineteenth century sources of the federal government revenue which were liquor, tobacco and customs duties. In such a situation I could probably with safety recommend the complete repeal of all federal income taxes on individuals and corporations. The general sales tax of 10 per cent, and the 15 per cent excise taxes, along with succession duties, could all be wiped out. These fields of taxation then could all be left to the provinces. Under these conditions there would, I think, be no very difficult problems in the field of federal-provincial financial relations.

If the federal government did not have to tax to obtain $3½ billion for defence, welfare and war debts, the tax fields would certainly not be so crowded. There would, I think, be ample room for the provinces, certainly for the more wealthy ones. I am not so sure, however, that even this would enable all provinces to finance their requirements independently of the federal treasury.

I do not believe the majority of the people in any province of Canada would favour discontinuing the present billion dollar nation-wide program of welfare expenditure. Nor do I believe that in any province the majority of the people would have had the federal government do otherwise than embark, in common with other countries, upon a defence program of the present proportions against communist aggression. If I am right in this belief, then it seems to me that the federal government should scarcely be blamed if the expansion of provincial taxation has become more difficult. Of course the extent of federal taxes does make substantial tax increases by provincial governments more difficult. No royal commission is needed to discover this truth. I have good reason to know the sort of problems which provincial ministers of finance have to face, and I think they know that they have my sympathy.

But no group of men at Ottawa is responsible for this problem. It finds its origin in the will of the majority of the people of the ten provinces which, of course, is Canada. No one in Ottawa has any liking for centralization as a principle or objective. No one wishes to deprive provincial governments of their rights or to take over their responsibilities. No one has any desire to aggravate the already difficult problems facing provincial governments which, in common with the federal government, have to meet the rising demands for government expenditure in a democratic country.

The government at Ottawa over the past 20 years has done its utmost to find fair and reasonable solutions from time to time over this period when, because of desperate conditions or swiftly changing events, the old workable pattern of federal-provincial relations has become so obviously inadequate.

In the late 1930's the federal government appointed the Rowell-Sirois commission to

make an exhaustive study of all aspects of federal-provincial relations. This commission made a very thorough and penetrating study and its recommendations were far-reaching. They were found to be not acceptable to the provinces. Perhaps some on re-examining these proposals today would conclude that they were too drastic and did call for a surrender of some provincial jurisdiction.

The rejection of the Rowell-Sirois recommendations of course left the federal minister of finance, the Right Hon. J. L. Ilsley, under the necessity during the desperate days of the early 1940's of speedily improvising some workable compromise for the war period. The good faith of the provinces and their willingness to co-operate in helping to find a proper solution was reflected in their acceptance of the plan embodying the wartime tax agreements.

After the war the problem was still there and the federal government put forward on its own account a comprehensive plan to take up where the wartime tax agreements left off. This plan was also unacceptable to the provinces. Again, it is possible to argue that this post-war plan attempted too much, too quickly. Undoubtedly it did propose a far-reaching overhaul of the status quo not only in revenue fields but in the expenditure pattern as well.

Again Mr. Ilsley had to devise some temporary workable arrangement for the post-war era.

As the house knows, his proposals took the form of optional agreements relating solely to taxes, known popularly as tax rental agreements. The virtue of this approach was that it was not dependent for success on the unanimous acceptance by all provinces. A cardinal principle in the offer was that no pressure, direct or indirect, should be placed on any province to accept an agreement. This has been a fundamental position in the federal government's attitude ever since.

In the present tax rental agreements, an undertaking is given that upon expiry of the agreement the federal government will allow a credit against its corporate income tax equal to 7 per cent of the profits earned by companies in that province. This, of course, is to enable any province to re-impose its own tax up to this 7 per cent level without penalty to corporations in that province. I now propose to increase the 5 per cent tax credit at present being allowed in our Income Tax Act in respect of profits in any province which has not entered into an agreement to this same level of 7 per cent. The general effect of this will be to place corporations in Quebec, which is without a tax rental agreement, on the same basis as those operating in other provinces in respect of the burden of corporate income tax. The loss of revenue to the federal treasury in a full year will be approximately $17 million.

The federal government has, I think, demonstrated its desire to avoid, wherever possible, encroaching upon tax fields used by the provinces. After the war, for instance, we abandoned the taxes on gasoline, amusements, parimutuels, and electric power because the provinces were depending upon the use of these taxes. I propose to make a further move of this sort and repeal the federal tax on the transfer of securities, a tax which is also imposed on a parallel basis by the two central provinces.

This will mean a loss of revenue to the federal treasury of some $3 million per annum.

One does not have to study for very long the problem of overlapping tax jurisdictions to realize there is no easy answer. A re-allocation of tax sources between the two levels of government does not seem to be a workable solution. This approach might be helpful if the various tax sources were of equal value to all provinces which, of course, they are not. Accordingly, in giving up tax sources sufficient for the needs of the wealthier provinces, the less well-off provinces would be left without enough to meet their requirements.

Some students of this problem have been attracted by the idea of straight fiscal need subsidies to less well-off provinces as a supplement to some undertakings or arrangements regarding the use of certain tax fields. This double-barrelled system would, I think, imply the unanimous acceptance by all provinces before it could be adopted. This might never be possible. As a matter of fact, I am by no means sure if I were a provincial minister of finance that I would agree to such an arrangement. I am afraid I would find something repugnant in the idea that an outside body—a board, council or commission—would be investigating provincial affairs and determining the size of the fiscal needs for a particular period which amount in turn would be the measure of the federal grant.

In the United States, where they have the same problem to an acute degree, the question of federal-state relations has for many years been the subject of much painstaking study but nothing by way of a general solution has been achieved. In the absence of any over-all plan, the majority of the states levy personal income taxes, corporation taxes and retail sales taxes. It is estimated, for example, that about 60 per cent of the tax revenue of the states is obtained from retail

sales taxes. Those who are at times critical of the Canadian situation might do well to examine the situation which obtains south of the line.

After reviewing what other countries have accomplished, I must say that I think we have done reasonably well in Canada in working out a common-sense method of accommodating federal-provincial financial relations to the major upheavals of the past few decades.

Certain aspects of the tax rental agreements may, perhaps, cause some mild concern to the purely logical mind. The pattern for these agreements is found in no treatise or text book. No royal commission produced the formulae. The provisions of these agreements have been hammered out on the anvil of hard experience. Our approach has been essentially a pragmatic one and our solution is one which does lend itself to the practical realities of the situation in which it must operate.

Mr. Speaker, I am afraid that I may have imposed on the patience and good nature of the house in commenting at such length on this subject. It is an important one, however. It has deep implications for our existence as a federal state. Our national unity must always be built on a foundation which gives practical effect to the constitutional distribution of sovereign powers and administrative responsibilities between the central and the provincial authorities.

I hope that the statement which I have made will have been of some value in clarifying the issues, establishing the facts and in revealing the sincerity of the federal government's desire to work amicably toward reasonable solutions in this field of our relations with provincial governments.

CUSTOMS TARIFF

The budget resolutions relating to the customs tariff which I am tabling contain proposals respecting certain tariff items where reductions in duty are desirable. In a number of cases I am proposing changes in wording and classification which would remove uncertainties, anomalies, and administrative difficulties which have arisen. No increases in duty are proposed.

Reductions in duty are proposed on particular items which enter into the costs of production of our primary industries. I am proposing to add some additional items to the already extensive list of equipment and materials which enter duty free for use in agriculture. Reductions are proposed on two important categories of equipment used in the fishing industry, namely gasoline engines and wire rope. In the case of the mining industry the proposals include reductions on certain specialized equipment.

I am proposing to widen somewhat the existing classifications under which universities, schools and public hospitals may bring in scientific and medical apparatus free of duty. It is proposed also to extend the existing classification which grants free entry to certain articles used for religious purposes. Finally, the customs tariff resolutions contain a proposal for the establishment of a new item under which personal and household goods acquired abroad by members of the Canadian armed forces may be entered free upon their return to Canada under certain conditions which are specified.

COMMODITY TAXES

I now turn to the field of commodity taxes. With some regret I have come to the conclusion that I cannot this year recommend any change in either the general sales tax rate or in the special excise tax rate. Broadly speaking I believe we have achieved in this country a pretty sensible balance in our tax structure between direct and indirect taxes. I am aware, of course, how acceptable it would be if substantial tax reductions could be made in the field of commodity taxes, but it is quite clear that the moderate leeway at my disposal this year will not permit this to be done.

While the general rate structure in these fields must be maintained, a few important changes can be accommodated without too great loss of revenue. A further reduction in the levy on cigarettes seems desirable. It is clear that following the reduction made last year there was a quite definite increase in cigarette sales which, from the point of view of the revenue collector, is very encouraging. Smuggling, I regret to say, is still a difficult problem. I have accordingly decided to recommend that the excise duty, and correspondingly the customs duty, on cigarettes be reduced by $2.00 per thousand which, for a package of twenty cigarettes, means four cents off. Not knowing in advance what

effect this further cut will have on the volume of consumption, or the amount of smuggling, it is impossible to estimate what the revenue loss from this move will be. A fair estimate is that it will not be more than $17 million.

It is proposed to repeal the stamp tax on cheques, money orders and other instruments. This tax is definitely of the nuisance variety and I am sure that only the Minister of Finance, who has to forgo about $12 million of revenue, will mourn its passing.

Another amendment, and one in which I am quite happy to join in acclaiming, will repeal the sales tax on books. I have been impressed with the breadth and sincerity of the representations for this action, and I have been convinced that it would be in the public interest to forgo the modest amount of revenue now received from this source. Concurrently with this repeal of the sales tax on books the tax will likewise be withdrawn from materials used in the production of magazines, books and newspapers. This will eliminate the difficult task we have had to wrestle with in recent years of drawing a clear and acceptable line between newspapers and magazines.

Materials used in the manufacture of the list of foods now included in the schedule of exemptions will be freed from sales tax. Similarly a group of items which along with the so-called "consumable materials" are expended in the process of production will be exempt from sales tax.

All these changes in the sales tax will result in a loss of revenue of about $8 million. As usual it will be provided that all the above commodity tax changes will be effective from midnight tonight. In accordance with standard practice my colleague the Minister of National Revenue (Mr. McCann) has asked me to give notice that no claims for refunds arising out of tax reductions in respect of goods on which tax has been paid will be entertained.

There will be a number of other minor amendments included in the bill amending the Excise Tax Act but these need not detain us here.

There is one further subject on which I have important changes to announce. The government has been seeking a fair and effective source of revenue for the national system of television broadcasting being developed by the Canadian Broadcasting Corporation in accordance with the general policy that was announced by the Prime Minister (Mr. St. Laurent). The government's policy is to have the cost of the national television service paid, as far as that is practicable, by those who benefit from such service. It also wishes the C.B.C. to have a direct source of revenue, on which it can budget over a period, and not to be dependent upon annual appropriations to finance its operations. We wish to emphasize that it is a separate corporate body, under the general control of parliament but not a part of the government.

Television operations have just recently commenced and their development has been financed by loans specifically authorized in the estimates. It is now expected that, in addition to commercial television revenues, the C.B.C. will require about $6 million in the next fiscal year to meet operating costs of television, including interest on loans. This requirement will increase over the next few years, perhaps to about $10 million. Some part of these needs during the development period may properly be met from loans, and paid from future revenues, but we should start now with a plan to provide adequate revenues over the long run.

It is therefore proposed that the Canadian Broadcasting Act should be amended to provide that the corporation should in future receive from month to month the amount of revenue yielded by the present 15 per cent special excise tax on television sets and the picture tubes for such sets, and on such parts and accessories for television sets as are taxable under the excise act. In this way those who buy sets, or the replacement tubes for them, will be providing the basic revenue necessary for C.B.C. television services. In order to make this plan effective, it will be necessary to revise the regulations to provide that tourists returning to Canada may not include as baggage eligible for free entry television sets or the picture tubes for use in them.

Having decided upon this plan in regard to television, we have now come to the conclusion that a similar transfer of the 15 per cent special excise tax revenue can and should be made to assist in financing radio broadcasting, in place of the present licence fee. Although the continuation of this fee had been recommended by the Massey commission, experience has convinced us that it is uneconomical to collect such a small individual fee from such a high proportion of Canadian families, if any satisfactory alternative is open. We believe that payment to the C.B.C. of the amount of revenue received from the 15 per cent special excise tax on radio sets and the taxable parts and accessories for them does provide a satisfactory alternative, at least for the next few years until the present statutory grant for radio broadcasting is reviewed at the end of its five-year term. Consequently we

are proposing that the broadcasting act should provide for this transfer of revenue, as well as that for television, and that the order in council under the Radio Act setting the present licence fees of $2.50 should be revoked with effect from April 1.

Mr. Fraser: It should never have been put on.

Mr. Abbott: Don't you like this, Gordon?

I estimate that the amount of revenue to be received by the C.B.C. under these arrangements will be approximately $12 million in the next fiscal year, the amount in respect of radio probably exceeding somewhat that for television. The public will be relieved of paying something over $6 million in radio licence fees, this next fiscal year, and our expenditure in collecting such fees, anticipated at $700,000 in the estimates, will be saved.

SUMMARY OF TAX CHANGES

I am now in a position to summarize the total effect of all these tax changes on the balancing of the budget, and I ask leave of the house, Mr. Speaker, to insert in *Hansard* at this point the usual summary tables.

Table VI

Effect on Revenue of Proposed Tax Changes

	Reduction in Full Year	Reduction in Fiscal Year 1953-54
	(in millions of dollars)	
Personal income tax:		
Reduction in rate schedules	155	87
Reduction in lower limit for medical expenses	10	1
Increased credit for dividends	20	12
Corporation income tax:		
Reduction in rates	84	60
Increased bracket to which the lower rate applies	35	25
Increased credit for profits earned in provinces not covered by a tax-rental agreement	17	12
Excise duty:		
Reduction on cigarettes	15	15
Excise taxes:		
Repeal of stamp tax on cheques, etc.	12	12
Repeal of security transfer tax	3	3
Repeal of sales tax on various items	8	8
Loss of sales tax revenue as result of lowering excise duty on cigarettes	2	2
	361	237

TABLE VII

Revised Forecast of Revenues for Fiscal Year 1953-54 taking Account of Tax Changes

—	Forecast of revenue from existing taxes	Decrease in revenue from budget proposals	Revised Forecast of revenue for 1953-54
	(in millions of dollars)		
Personal income tax	1,350	100	1,250
Non-resident income tax	55	.....	55
Corporation income tax	1,325	97	1,228
Succession duties	40	.....	40
Customs import duties	395	.....	395
Excise duties	280	15	265
Sales tax	590	10	580
Other excise taxes	300	15	285
Miscellaneous taxes	10	.....	10
Total tax revenues	4,345	237	4,108
Non-tax revenues	290	.....	290
Total ordinary revenues	4,635	237	4,398
Special receipts and credits	75	.....	75
Total budgetary revenues	4,710	237	4,473
Old Age Security Taxes:			
2% sales tax	148	2	146
2% individual income tax	82	.....	82
2% corporation income tax	50	.....	50
	280	2	278

The net reductions in taxes which I have proposed amount to $237 million in this fiscal year, and to $361 million in a full fiscal year. Radio licence fees have never been treated as part of our tax revenue, but including the dropping of this item the full saving to the public in the coming fiscal year will be about $243 million.

Of the tax reductions in the coming year $100 million is on the personal income tax, $97 million is on the corporate income tax and $40 million is on commodities.

In a full year the reduction in the personal income tax will be $185 million, in the corporate income tax $136 million and in the commodity field $40 million.

My revised forecast shows revenues at $4,473 million. My forecast of expenditures will, however, have to be increased to $4,462 million to take account of the proposed transfer to the C.B.C. On this basis the forecast surplus is $11 million. As was the case last year, this is, of course, budgeting in fact for an even balance.

That, Mr. Speaker, concludes the presentation of my budget. This is the eighth budget which I have had the honour to bring down. The years covered by these budgets have been remarkable years. They have had their difficulties—serious difficulties—yet they have been years of sustained progress unmatched in our previous history. These achievements have been the collective achievements of the Canadian people—rapidly growing in numbers—who have been busy about their own affairs, working, developing and exploring, saving and investing in the future. The task of government in these times has been to promote a healthy climate for sound development, to promote a climate in which both wealth and welfare can flourish, in which we can all enjoy the highest combination of freedom and security in both social and national terms.

The record of this Liberal government in the past four years is one of which we can all be proud. We have expanded and improved our earlier programs of social welfare and we have introduced a sound system of universal old age security. We have provided large financial assistance to improved health services in every province. By our expansion of scientific services and technical surveys we have been steadily rolling back our frontiers. In reply to threats of external aggression we have played a significant role in developing an effective system of regional collective security and we have financed our proper share of its cost. We have balanced our budgets and reduced our public debt. The threatening surge of inflation has been halted, and indeed has been reversed. We have enormously improved, even if we have not wholly solved, the complicated relationships of federal-provincial finance, and we have done this in a growing atmosphere of good will and of mutual respect and understanding.

The outbreak of aggression in Korea compelled us for a while to reverse the steady march of tax reductions, but within 18 months we were able to resume our course. A year ago taxes were reduced by $146 million a year. This evening I have proposed further reductions totalling $361 million a year. This makes the very substantial total of $507 million of tax reduction in two years, and means that we have been able to withdraw two-thirds of the additional tax burden imposed in September, 1950, and April, 1951, and still carry our proper share of the costs of collective defence.

This is a record of which I am frankly proud. It is a record of which we can all be proud, but those of us who have consistently supported the policies on which it has been based are perhaps entitled to a special sense of satisfaction.

Mr. Speaker, I shall now table the resolutions which I will move when the house is in committee.

THE INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide, amongst other things:

1. That for the 1954 and subsequent taxation years the graduated rates of tax at present applicable to income of individuals be reduced by substituting therefor the following graduated rates of tax:

(a) 15 per cent of the amount taxable if the amount taxable does not exceed $1,000,

(b) $150 plus 17 per cent of the amount by which the amount taxable exceeds $1,000 if the amount taxable exceeds $1,000 and does not exceed $2,000,

(c) $320 plus 19 per cent of the amount by which the amount taxable exceeds $2,000 if the amount taxable exceeds $2,000 and does not exceed $4,000,

(d) $700 plus 22 per cent of the amount by which the amount taxable exceeds $4,000 if the amount taxable exceeds $4,000 and does not exceed $6,000,

(e) $1,140 plus 26 per cent of the amount by which the amount taxable exceeds $6,000 if the amount taxable exceeds $6,000 and does not exceed $8,000,

(f) $1,660 plus 30 per cent of the amount by which the amount taxable exceeds $8,000 if the amount taxable exceeds $8,000 and does not exceed $10,000,

(g) $2,260 plus 35 per cent of the amount by which the amount taxable exceeds $10,000 if the amount taxable exceeds $10,000 and does not exceed $12,000,

(h) $2,960 plus 40 per cent of the amount by which the amount taxable exceeds $12,000 if the amount taxable exceeds $12,000 and does not exceed $15,000.

(i) $4,160 plus 45 per cent of the amount by which the amount taxable exceeds $15,000 if the amount taxable exceeds $15,000 and does not exceed $25,000.

(j) $8,660 plus 50 per cent of the amount by which the amount taxable exceeds $25,000 if the amount taxable exceeds $25,000 and does not exceed $40,000,

(k) $16,160 plus 55 per cent of the amount by which the amount taxable exceeds $40,000 if the amount taxable exceeds $40,000 and does not exceed $60,000,

(l) $27,160 plus 60 per cent of the amount by which the amount taxable exceeds $60,000 if the amount taxable exceeds $60,000 and does not exceed $90,000,

(m) $45,160 plus 65 per cent of the amount by which the amount taxable exceeds $90,000 if the amount taxable exceeds $90,000 and does not exceed $125,000,

(n) $67,910 plus 70 per cent of the amount by which the amount taxable exceeds $125,000 if the amount taxable exceeds $125,000 and does not exceed $225,000,

(o) $137,910 plus 75 per cent of the amount by which the amount taxable exceeds $225,000 if the amount taxable exceeds $225,000 and does not exceed $400,000,

(p) $269,160 plus 80 per cent of the amount by which the amount taxable exceeds $400,000 if the amount taxable exceeds $400,000.

2. That for the 1953 taxation year the graduated rates of tax applicable to income of individuals be the average of the present graduated rates and the rates set out in paragraph 1.

3. That with respect to income of corporations earned on and after January 1, 1953, for the present rate of tax of 20 per cent on the first $10,000 of taxable income and 50 per cent on taxable income in excess of $10,000 there be substituted the rate of 18 per cent on the first $20,000 of taxable income and 47 per cent on taxable income in excess of $20,000.

4. That for the 1953 and subsequent taxation years the 10 per cent deduction from tax at present allowed in respect of dividends received from a taxable corporation by individuals resident in Canada be increased to 20 per cent.

5. That the deduction from tax equal to 5 per cent of the taxable income of corporations earned in a prescribed province be increased to 7 per cent of taxable income earned in the province on or after January 1, 1953, by corporations that are not subject to certain special provincial taxes.

6. That for the 1953 and subsequent taxation years the deductions at present allowed in computing taxable income of individuals in respect of medical expenses that exceed 4 per cent of income of the individual be allowed in respect of medical expenses that exceed 3 per cent of income of the individual.

7. That for the 1953 and subsequent taxation years the deductions in computing taxable income of individuals at present allowed in respect of dependent children under 21 years of age be allowed in respect of dependent children of the taxpayer over 21 years of age if they are attending a university.

8. That for the 1946 and subsequent taxation years the provision that excludes expense allowances from income of a member of a provincial legislature be made applicable to expense allowances of elected members of the governing bodies of incorporated municipalities.

9. That the special deduction from income allowed to taxpayers whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas, for expenses of exploring or drilling for oil and natural gas in Canada, be allowed for expenses incurred in the calendar year 1956; and that in addition a similar deduction be allowed to corporations whose principal business is mining or exploring for minerals, for expenses of exploring or drilling for oil or natural gas in Canada incurred in the calendar years 1953 to 1956 inclusive.

10. That the special deduction from income allowed to corporations whose principal business is mining or exploring for minerals, for expenses incurred in searching for minerals in Canada be allowed for expenses incurred in the calendar year 1956; and that in addition

a similar deduction be allowed to taxpayers whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas, for expenses of searching for minerals in Canada incurred in the calendar years 1953 to 1956 inclusive.

11. That the special deduction from income and taxes allowed to taxpayers whose principal business is production, refining or marketing of petroleum or drilling for petroleum, for expenses incurred in respect of deep-test oil wells be allowed to those taxpayers and to taxpayers whose principal business is mining or exploring for minerals, for expenses incurred in respect of deep-test oil wells in 1953 operations.

12. That for the 1953 and subsequent taxation years a taxpayer whose principal business is production, refining or marketing of petroleum or petroleum products or exploring or drilling for petroleum or natural gas or mining or exploring for minerals and who, having entered into an agreement on or after January 1, 1953, to pay an amount, other than a rental or royalty, to a government to acquire the right to take oil, gas or minerals from land in Canada, has paid all or part of the amount and before a well or mine comes into production on the land surrenders the right without receiving consideration therefor or repayment of any part of the amount so paid, be allowed to deduct the amount so paid in computing income for the year in which the right is surrendered.

13. That the exemption of income from metalliferous or industrial mineral mines for the first three years of production be extended to mines coming into production during the calendar year 1956.

THE EXCISE TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act and to provide, amongst other things:

1. That the securities transfer tax be repealed.

2. That the stamp tax on cheques and certain other instruments be repealed.

3. That the sales tax on the following goods be repealed:

(a) books, printed and bound, which contain no advertising and which are solely for educational, technical, cultural or literary purposes, and materials used exclusively in the production thereof, but without limiting the generality of the foregoing, not including directories, price lists, timetables, rate books, catalogues, periodic reports, fashion books, albums, books for writing or drawing upon, nor any books similar to the foregoing exceptions;

(b) school and college year books and materials used exclusively in the production thereof;

(c) materials used exclusively in the production of newspapers;

(d) materials used exclusively in the production of magazines and literary papers unbound, regularly issued at stated intervals, not less frequently than four times yearly;

(e) materials for use exclusively in the manufacture of the goods enumerated in schedule III under the heading "foodstuffs";

(f) materials which are consumed or expended in the manufacture or production of goods;

(g) friction disc sharpeners;

(h) goods enumerated in Customs Tariff items 436 and 697.

4. That there be imposed, levied and collected an excise tax of fifteen per cent on tires and tubes in whole or in part of rubber, to be used on trailers or other wheeled attachments used in connection with self-propelled machines.

5. That there be imposed, levied and collected an excise tax of fifteen per cent on camera lenses, except those sold for industrial or professional photographers' use.

6. That there be imposed, levied and collected a sales tax of ten per cent and an excise tax of fifteen per cent on candy, chocolate and confectionery payable by persons, firms and corporations who package those goods for sale except where they are packaged by a retailer on his retail premises for sale therefrom to consumers.

7. That any enactment founded upon this Resolution be deemed to have come into force on the twentieth day of February, nineteen hundred and fifty-three.

THE EXCISE ACT, 1934

Resolved, that it is expedient to introduce a measure to amend the Excise Act, 1934, and to provide, amongst other things:

1. That the excise duty on cigarettes weighing not more than two and one-half pounds

per thousand be reduced from six dollars per thousand to four dollars per thousand.

2. That the excise duty on cigarettes weighing more than two and one-half pounds per thousand be reduced from eleven dollars per thousand to five dollars per thousand.

3. That any enactment founded upon this resolution be deemed to have come into force on the twentieth day of February, nineteen hundred and fifty-three.

THE CUSTOMS TARIFF

1. Resolved, that the Customs Tariff be amended to provide

(a) that "machinery" shall not include motive power which when detached from the machine, will operate, and

(b) that yarns, textiles and manufactures thereof shall not be regarded as being composed in part of specified materials unless those materials constitute over five per cent by weight thereof.

2. Resolved, that schedule A to the Customs Tariff be amended by deleting therefrom the following enumeration of goods and rate of additional duty of customs:

Cigarettes weighing not more than three pounds per thousand—$2.00 per thousand.

3. Resolved, that schedule A to the Customs Tariff be further amended by striking thereout tariff items 105c, 173, 272b, 272c, 280(2) and (3), 409c, 409e(i), (ii) and (iii), 409g, 409q, 4101, 410p, 410q, 412, 412a, 436, 440k(1), 442, 442d, 476a, 478, 479, 538, 538a, 538b, 567b, 657a, 681b, 691 and 696, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said schedule A:

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget Resolution		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
105c	Olives, sulphured or in brine, not bottled.....	Free	Free	30 p.c.	Free	Free	30 p.c.
	On and July 1, 1954	10 p.c.	17½ p.c.	30 p.c.	10 p.c.	17½ p.c.	30 p.c.
173	(1) Books which are included in the curriculum of any university, college or school in Canada for use as text books or as works of reference, not to include dictionaries.....	Free	Free	Free	Free	Free	Free
	(2) *Printed books, pamphlets and cards for use in intelligence testing and other articles and materials imported with and specially designed for use with such printed books, pamphlets and cards*.....	Free	Free	Free	Free various	Free various	Free various
	(3) All books for bona fide libraries, and being the property of the organized authorities of such libraries and not in any case the property of individuals or business concerns, under such regulations as the Minister may prescribe.....	Free	Free	Free	Free	Free	Free
	(4) *Single copies of books when sent to a reviewer of books for bona fide review purposes; single copies of books when sent unsolicited and without charge to faculty members of universities or colleges; under such regulations as the Minister may prescribe*.....	Free	Free	Free	Free	10 p.c.	10 p.c.
	(5) Directories for free reference libraries.....	Free	Free	Free	Free	Free	Free
	(6) Books received from free lending libraries abroad, subject to return under Customs supervision within sixty days.....	Free	Free	Free	Free	Free	Free
199j	*Wire reinforced paper tape, printed or not, imported for use in the packaging of fruit, vegetables and other farm or garden produce*.....	5 p.c.	10 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
237	*Isotopes, artificially produced*.....	Free	Free	25 p.c.	Free	15 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget Resolution		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
272b	Petroleum waxes, not including petroleum greases:						
	(1) When imported for use exclusively in the manufacture of candles	Free	Free	25 p.c.	Free 15 p.c.	Free 20 p.c.	25 p.c. 25 p.c.
	(2) N.o.p.	15 p.c.	17½ p.c.	25 p.c.	15 p.c. 15 p.c.	17½ p.c. 20 p.c.	25 p.c. 25 p.c.
280	(2) Grease *and oils*, rough, the refuse of animal fat, for the manufacture of soap and oils only	Free	Free	Free	Free	Free	Free
403	*(g) Wire rope or cable, coated or not, for use exclusively in commercial fishing operations*	Free	10 p.c.	25 p.c.	15 p.c.	25 p.c.	25 p.c.
409c	(1) Ploughs and parts thereof; *plough bolts*	Free	Free	Free	Free 7½ p.c.	Free 17½ p.c. and 50 cts. per 100 lbs.	Free 25 p.c. and 75 cts. per 100 lbs.
	(2) Farm or field rollers and parts thereof	Free	Free	Free	Free	Free	Free
	(3) Lawn or garden rollers and parts thereof	Free	Free	Free	Free	Free	Free
	(4) Soil packers and parts thereof	Free	Free	Free	Free	Free	Free
409e	(1) Spraying and dusting machines and attachments therefor, including hand sprayers; *apparatus for the destruction of predatory animals by the discharge of poisonous cartridges; starter cartridges for diesel engines;* apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; dehorning instruments; parts of the foregoing	Free	Free	Free	Free 10 p.c. 10 p.c. 15 p.c.	Free 22½ p.c. 22½ p.c. 20 p.c.	Free 30 p.c. 35 p.c. 25 p.c.
	(2) Fruit and vegetable grading, grating, washing and wiping machines; combination bagging and weighing machines; machines for topping vegetables; machines for bunching and/or tying cut flowers, vegetables and nursery stock; machines for making or lidding boxes for fruit or vegetables; egg-graders and egg-cleaners; *silage caps;* parts of the foregoing	Free	Free	Free	Free 15 p.c.	Free 20 p.c.	Free 30 p.c.

	(3) Binder twine; wire and twine for baling farm produce	Free	Free	Free	Free Free Free	Free Free Free	Free 25 p.c. 20 p.c.
409g	Incubators for hatching eggs; brooders for rearing young fowl; *poultry sex testers;* parts of the foregoing.	Free	Free	Free	Free 15 p.c.	Free 22½ p.c.	Free 30 p.c.
409q	(1) Auxiliary internal combustion engines incorporated in or attached to, or to be incorporated in or attached to, agricultural implements or agricultural machinery; parts of the foregoing	Free	Free	Free	Free Free	Free Free	Free 30 p.c.
	(2) Electric motors incorporated in or attached to, or to be incorporated in or attached to, agricultural implements or agricultural machinery; parts of the foregoing	Free	Free	Free	Free	Free	37½ p.c.
410l	Coal crushers, ore crushers, rock crushers, stamp mills, grinding mills, rock drills, percussion coal cutters, coal augers, rotary coal drills, n.o.p., and parts of all the foregoing, for use exclusively at mines, at quarries, or in metallurgical operations *or in the beneficiation of non-metalliferous ores*	5 p.c.	15 p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
410p	Sundry articles of metal as follows, for use exclusively in mining and metallurgical operations, viz.: furnaces for the smelting of ores; converting apparatus for metallurgical processes in metals; *apparatus for chemical conversion, extraction, reduction or recovery, n.o.p.;* machinery for the extraction of precious metals by the chlorination or cyanide processes, not to include pumps, vacuum pumps or compressors; blast furnace blowing engines for the production of pig iron; parts of the foregoing	Free	Free	Free	Free various	Free various	Free various
410q	Pumps and vacuum pumps, and parts thereof, for use exclusively in the extraction of precious metals by the chlorination or cyanide processes, *or in chemical conversion, extraction, reduction or recovery in metallurgical operations*	15 p.c.	15 p.c.	20 p.c.	15 p.c. various	15 p.c. various	20 p.c. various
412	Printing presses, of a class or kind not made in Canada for use in the printing of newspapers, telephone directories or periodical publications which, if imported, would qualify for entry under Tariff Item 184a, and parts thereof, not to include saws, knives and motive power; mechanical deliveries or conveyors, *and parts thereof,* for use with *the foregoing* printing presses	Free	Free	Free	Free Free	Free 7½ p.c.	Free 35 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget Resolution		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
412a	Machinery and apparatus, n.o.p., viz:— Gun and mould apparatus for making press rollers; Machines and apparatus for making electrotype and stereotypes; Engraving machines and apparatus, including photoengraving apparatus, and other plate-making apparatus, used in the manufacture of printing plates of all kinds; Machines and apparatus for graining metal plates; Machines and apparatus for sensitizing, grinding or polishing metal plates; Machines and apparatus including cameras and camera equipment, lens, prisms, camera and printing lamps, screens, and vacuum frames for transferring by photographic processes, or direct to plates or rolls for use in lithography, rotogravure and printing; Shading apparatus; Machines and apparatus for addressing and/or wrapping newspapers, magazines, periodicals, pamphlets and catalogues; Machines and apparatus for embossing or stamping or producing embossed or engraved effects, bookbinding, looping, stitching, sewing, gathering, inserting, bronzing, dusting, creasing, scoring, cutting, perforating, drilling, punching, slitting, rewinding, glueing, pasting, gumming, waxing, varnishing, carbon coating, patching, numbering, ruling, jogging, sheet piling, tying, bundling, tube-making, metal mounting, eyeletting, staying or stripping, reinforcing and box-covering; Parts of the foregoing not to include saws, knives and motive power; All the foregoing, when for use exclusively by, and in their capacities as printers, lithographers, bookbinders, manufacturers of stereotypes, electrotypes and printing plates or rolls, paper *or foil* converters, or by manufacturers of articles made from paper, cardboard *or foil*.....	Free	Free	10 p.c.	Free 10 p.c.	Free 22½ p.c.	10 p.c. 35 p.c.

415a	(iii) *Refrigerator parts, of iron or steel or of which iron or steel or both are the component materials of chief value*	7½ p.c.	20 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
436	Locomotives and railway passenger, baggage and freight cars, being the property or under the control of railway companies in the United States, running upon any line or road crossing the frontier, so long as Canadian locomotives and cars are admitted free under similar circumstances into the United States, under regulations prescribed by the Minister..... Provided, however, that if such locomotives and railway rolling stock are used temporarily in the transportation of goods from a place in Canada to another place in Canada they shall not be entitled to free entry but shall be subject to duty on the rental value or charge made by the United States owner for their use in Canada, *or equivalent thereof* as determined by regulations prescribed by the Minister.	.....	Free	Free	.....	Free	Free
440k	(1) Engines and complete parts thereof, n.o.p., to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats for use exclusively in bona fide commercial fishing operations, under such regulations as the Minister may prescribe.....	Free	Free	15 p.c.	Free 15 p.c.	12½ p.c. 20 p.c.	15 p.c. 30 p.c.
	(3) *Materials and articles for the manufacture or repair of the engines provided for in Items 440k(1) and 440k(2)*	Free	Free	15 p.c.	10 p.c. various	22½ p.c. various	35 p.c. various
442	Articles and materials which enter into the cost of manufacture of the goods enumerated in tariff items 409, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409h, 409i, 409j 409k, 409l, 409m. 409n, 409o, 409q, *427b(1)* and 439c, when imported for use in the manufacture of the goods enumerated in the aforesaid tariff items, or in the manufacture of parts therefor, under such regulations as the Minister may prescribe....	Free	Free	Free	Free various	Free various	Free various
442d	Materials, including all parts, wholly or in chief part of metal, of a class or kind not made in Canada, when imported by manufacturers of goods entitled to entry under tariff items *410a (iii)*, 410g, 410L, 410n, 410o, 410p, 410q, 410s, 410u, 410v, 410w, 410x, 410z, 411, 411a, 411b, 427b, 427c, 427f, 428c, 428e, 440k and 447a, for use in the manufacture of such goods in their own factories, under such regulations as the Minister may prescribe.....	Free	Free	10 p.c.	Free various	Free various	10 p.c. various

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget Resolution		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
443d	*Gas control devices of a class or kind not made in Canada, for use on apparatus for heating buildings or in the gas line between such apparatus and the meter, for the manufacture or repair of, or for conversion to, gas-fired apparatus for heating buildings; parts thereof*	Free	7½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
443e	(1) *Timing devices for apparatus for cooking or for heating buildings; parts thereof*	15 p.c.	22½ p.c.	30 p.c.	15 p.c.	30 p.c.	35 p.c.
	but not less than					40 cents.	50 cents.
	(2) Timers for radios and parts thereof	15 p.c.	22½ p.c.	30 p.c.	15 p.c.	30 p.c.	35 p.c.
	but not less than					40 cents.	50 cents.
476a	Glassware and other scientific apparatus for laboratory work in public hospitals; chairs and tables for surgical operating purposes and parts thereof; infant incubators and parts thereof; infant identification bead sets including cases, and parts thereof; electrocardiographs and parts thereof, and sensitized film and paper for use therein; *electroencephalographic paper;* apparatus for sterilizing purposes, including bedpan washers and sterilizers but not including washing nor laundry machines; all for the use of any public hospital, under such regulations as the Minister may prescribe	Free	Free	Free	Free 17½ p.c.	Free 25 p.c.	Free 35 p.c.
478	(1) Artificial limbs; spinal and other orthopedic braces; parts of the foregoing	Free	Free	Free	Free	Free	Free
	(2) *Aural and nasal prostheses; ileostomy, colostomy, and urinary appliances designed to be worn by an individual; materials and articles required therewith for proper application and maintenance*	Free	Free	Free	Free various	Free various	Free various
	(3) Materials and articles for use in the manufacture of the goods enumerated in Tariff Items 478(1) *and 478(2)*	Free	Free	Free	Free various	Free various	Free various

567b	(1) Church vestments of any material	10 p.c.	10 p.c.	20 p.c.	10 p.c.	10 p.c.	20 p.c.
	(2) *Prayer shawls, prayer shawl fringes, and prayer shawl bags*	10 p.c.	10 p.c.	20 p.c.	20 p.c.	27½ p.c.	50 p.c. and 7 cts. oz.
604	(3) *Pinseal leather*	Free	10 p.c.	27½ p.c.	7½ p.c.	17½ p.c.	27½ p.c.
657a	Cinematograph or moving picture films, positives, n.o.p.:						
	(1) One and one-eighth of an inch in width and over, per linear foot	1½ cts.	1½ cts.	3 cts.	1½ cents	1½ cts.	3 cts.
	(2) *Under one and one-eighth of an inch in width*, per linear foot	Free	1½ cts.	3 cts.	Free	20 p.c.	25 p.c.
680b	*Calcareous and chitinous exoskeletons of marine animal origin, dyed or otherwise prepared or not, imported solely for decorative purposes*	Free	5 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
681b	Residue, revert, or waste from chemical, metallurgical or *metal working* processes, containing aluminum oxide or other aluminum compounds mixed with other materials, imported by Canadian smelters or refiners for recovery of aluminum oxide and attendant by-products	Free	Free	10 p.c.	Free 15 p.c.	Free 20 p.c.	10 p.c. 25 p.c.
691	(1) Communion sets; oil stocks; crosiers; benitiers; sprinklers; incensers; incense boats; baptismal shells or fonts; scapulars; chapelets; rosaries; religious *statues, statuettes*, medals and crosses; *Scroll sets; Chanuka candlesticks; Kiddush sets; Mezuzah boxes; Havdalah sets;* parts of the foregoing	Free	Free	Free	various	various	various
	(2) *Materials and articles for the manufacture of the goods enumerated in Item 691(1)*	Free	Free	Free	various	various	various
696	(1) Philosophical and scientific apparatus *(and ancillary equipment thereto)*, utensils, instruments, and preparations, including boxes and bottles containing the same; maps, charts, photographic reproductions and other pictorial illustrations, casts as models, animals as research or experimental subjects; living plants, seeds, cuttings, buds, scions, tubers, bulbs and root-stock; mechanical equipment of a class or kind not made in Canada: *parts of the foregoing.* All articles in this item, when for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific or literary purposes, or for the encouragement of the fine arts, or for the use and by order of any public hospital, college, academy, school, or seminary of learning in Canada, and not for sale, under such regulations as the Minister may prescribe	Free	Free	Free	Free various	Free various	Free various

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget Resolution		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	(2) *Materials and articles for the manufacture of the goods specified in Tariff Item 696(1)*.....	Free	Free	Free	various	various	various
703	(c) *Goods valued at not more than $1,000 imported by members of the Canadian Armed Forces after an absence from Canada of not less than one year and acquired by them for personal or household use and actually owned abroad by them for at least six months before their return to Canada, under regulations prescribed by the Minister*..... *Provided that such goods shall not be sold or otherwise disposed of without payment of duty and taxes until after twelve months actual use in Canada, and that the exemption shall not apply to alcoholic beverages, cigars, cigarettes nor manufactured tobacco.*	Free	Free	Free	various	various	various

4. Resolved, that Schedule C to the Customs Tariff be amended by deleting therefrom Item 1206 and by inserting in said Schedule C the following Item:

1206	Goods manufactured or produced wholly or in part by prison labour, or which have been made within or in connection with any prison, jail or penitentiary; also goods similar in character to those produced in such institutions, when sold or offered for sale by any person, firm or corporation having a contract for the manufacture of such articles in such institutions or by any agent of such person, firm or corporation, or when such goods were originally purchased from or transferred by any such contractor. *Provided that the Governor in Council may by regulation exempt any goods or class of goods to be further manufactured in Canada from the provisions of this item.*

5. Resolved, that any enactment founded upon the foregoing resolutions shall be deemed to have come into force on the twentieth day of February, one thousand nine hundred and fifty-three, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

(See also Budget Papers, pages 2151 to 2237.)

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, the confident rumours about the change of plans of the Minister of Finance (Mr. Abbott) have made me decide that no doubt there will be another occasion on which I can speak in a personal way, and tonight I propose to stick wholly to business.

It would appear that this budget is popular amongst those who think they are going to benefit from it, but it remains to be seen how far that will go throughout the Canadian people. It looks to me at the moment as though it going to benefit most those who perhaps need it least.

Mr. Speaker, the political cycle has turned full circle, and we are around again to tax reductions which of course, as we know, means an election year. I have tried in this house to speak with moderation, but I confess that when I find this old game worked again it fills me with a great deal of questioning, not to say indignation. It seems to me a pity that it is accepted practice, apparently, that tax reductions are timed, not having regard to the interests of those concerned, namely the taxpayers, but rather having regard to the interests of the government, of the party in office. And I think that this is all wrong. I think we have got to the stage where it seems that the quip of the Minister of Finance (Mr. Abbott) about fooling the public is something that has become a matter of government policy. What kind of people does the government think Canadians are?

An hon. Member: Good Liberals.

Mr. Macdonnell (Greenwood): I am talking about the Canadian people, not the people in this House of Commons. Does the government think the Canadian people will forget what happened in 1949? Do they think the taxpayers will forget to ask how much of their money the government is taking, as well the little which they are giving back? Do they think the people of this country will forget to ask whether this money comes from savings or merely from further exactions?

We have been told by the minister that $400 million more was taken this year, and in the coming year there would have been another $300 million. If the minister had added $250 million more he could have given us back $500 million instead of $250 million. So it depends upon how much he took to begin with.

I think the people will remember when they compare this with the effort of four years ago that taxes then were about half what they are today. In 1949-50 they were $2,300 million. Now they are about $4,400 million. No wonder we have angry taxpayers who say, "Let the government have the whole thing, and just give us back a little money for ourselves."

It is a sort of cat and mouse game. Every few years the cat—that is, the tax collector—treats the mouse well for a year, and gives him a little cheese—we have plenty of cheese in this country. He gives him a little cheese, and fattens him a bit, so he will be available for further exactions in the year following.

Now, I have asked whether there is any saving, and of course the answer is that there is not. And let no one imagine that it is all in the defence department that there are extra expenditures. It is nothing of the kind. There is plenty of additional expenditure in other departments, as I shall point out briefly. For instance freight, express and cartage in 1949-50 was only $8,800,000; it is now $18 million; telephone and other communications charges are up from $8 million to about $13 million.

I wish also to refer to the tax rebate we have at the moment. This will do precious little for the small man, with the small reduction that he gets. The man with $2,400 will have his tax reduced from $17 in 1953, at the existing rate, to a rate of $16 for the last six months of 1953; and when the full-year rate comes into effect it will be down to $15. In other words he will get, as I figure it roughly, one-thousandth of a cent per meal. And that is all he will get out of it. It seems to me that this method of a flat rate reduction is not fair to those who are receiving small amounts, at the lower end of the scale. Of course it may be comforting to the man with $200,000, who will get a reduction of $15,000, or the man with $100,000 who gets about $7,000. But it will not assist very much the man who has been given one or two dollars.

Those people would have been much better off if the minister had seen his way clear to reduce the sales tax; but the minister has been obdurate about the sales tax. We tried two years ago to get him to forgo the increase in the sales tax made at that time, but he would not hear of it. And still he refuses. So those people who are getting practically nothing out of the reduction in the income tax will also get nothing from any sales tax reduction.

But my real concern about all this is that these reductions could have been far more if it were not for the waste and extravagance which pervades the whole government program. Of course we hear about these reductions. The minister and I will not gain from the reduction on tobacco as much as some people, because we do not smoke. But people cannot live on tobacco or on cigarettes. And

that 4 cents a package will not help very much the man who gains only $1 of reduction in his income tax.

Now I wish to come to the question of waste and extravagance. We have listened to what the minister had to say. Of course it has been avidly snapped up by those whose business it is to believe in everything the government does. That is their stock in trade. Let us have a look at the waste and extravagance. There is plenty of it about. So that I may be quite fair—and in this party we always want to be fair—

Some hon. Members: Oh, oh.

Mr. Macdonnell (Greenwood): —let me read from that great Liberal stalwart, that great Liberal journal, the Winnipeg *Free Press*. Let us see the word of condemnation which they have for this government; let us see what they have to say. This is in the issue of January 31, 1953, in case any of you gentlemen wish to educate yourselves by looking it up. They say:

> To suggest that large scale economies cannot be made in so huge an outlay is most unhelpful. On every hand, evidence of waste and extravagance accumulates.

And let us see about that accumulation. Again I read from the Winnipeg *Free Press*. They seem to be indignant because $24,278 was spent on a broadcast from Montreal to South America. They do not seem to think very much of that. And now we come to what I think is the most astounding bit of waste and extravagance I have run across, and this is also confirmed in the Winnipeg *Free Press* of February 5 where it says:

> The excessive costs of the C.B.C. television stations and studios compared to those in the United States. The C.B.C. Toronto and Montreal stations and studios cost $3 million each. But a new and powerful United States television station is now going up at Bellingham, just across the United States border from Vancouver and Victoria, at a cost of some $80,000.

I said at first surely that could not be; it must be that we were not comparing like with like. I made an investigation into the matter. Upon investigation it appears the C.B.C. attempted to explain away these figures. But the C.B.C. explanation will not wash. I think a great part of the explanation was given to me by a man, in very simple words that I believe the people of this country will believe. He said, "It all depends upon the attitude you take toward money." And that, I think, is exactly the truth.

To give a very small illustration, the same man told me that he had seen specifications for a building that was to last for only 90 days for some C.B.C. purpose. In the specifications there was provision for three coats of waterproof paint, and that for only 90 days.

I come now to the Department of National Defence. That I believe is the great sinkhole of government waste and extravagance. The situation there is really fantastic. Apparently the government is taking the position that the people of Canada are not to be allowed to have a look at the state of their business. I need not detain the house by reminding you of the relevant facts—the anonymous letter with regard to Petawawa, the appointment of Mr. Currie, the appearance of Mr. Currie before the committee—

Some hon. Members: Order.

Mr. Macdonnell (Greenwood): —as reported in the press.

Some hon. Members: Order.

Mr. Speaker: I cannot allow reference to the proceedings in a committee.

Mr. Macdonnell (Greenwood): Not in the press, Mr. Speaker?

Mr. Speaker: No.

Mr. Macdonnell (Greenwood): Then I will say that there has been no breakdown in this house of anything that Mr. Currie has said. I refer also to the facts in the report of the Auditor General and his reference to eight different systems of accounting. Ask any businessman what that would mean in the conduct of business. The Auditor General in a letter to the department has referred to the posting of the ledgers as inaccurate and in arrears, and that was in the pay department. In the face of that it is almost unbelievable that the government should refuse to permit any kind of independent examination.

There can be no motive at all except fear of the result. What other motive could there be? If Liberal members of this house think it is a joke to suggest that, they have a queer idea of humour. It just shows what we have always been saying, that there is great danger of irresponsibility.

Let me state the facts again which are now on the records of this house. Mr. Currie investigated something like one-tenth of one per cent—

Some hon. Members: Order.

Mr. Macdonnell (Greenwood): That is in the report which is in *Hansard*; that has nothing to do with the committee. Mr. Currie investigated about one-tenth of one per cent of the expenditures and there is now a refusal in this house to permit the matter to be carried further.

However comforted the minister may be by the ovation he has had tonight; however much the minister may look like the cat that swallowed the canary, I think if we can

get these things to the people of Canada they will say, "We will take this sop which we have been given but we will take it only on account." However, when many of them examine it they are going to find that there is precious little for them in it. When it is digested there will be a large number of people who will say, "Where are those who are getting benefits from this? It is not us." I think they will also say that they are not satisfied and are not going to be fooled.

If we look back just four short years we can see what happened then. In 1949 the minister came along with little reductions here and there on things like candy and chocolate bars. Those were trivial things and did not have much effect upon the economy, but they were things with which he was reaching out for votes here and there. Then they were all repealed shortly after.

Having regard to the large increases in the expenditures of non-defence departments since 1949; having in mind the outrageous waste, and I repeat the words "outrageous waste" in these instances I have brought before the house; having in mind particularly the huge unexplored seas of expenditure in the Department of National Defence; having in mind such carelessness as is reported in the evening papers where reference is made to the expenditure of $135,000 on a house in Ottawa without authority, apparently in the most careless manner; having regard to all these things I consider it is reasonable to say that on the evidence of waste and inefficiency before us any reasonable person would say that the kind of savings that might be made would be not in millions or tens of millions, they could run into scores of millions and perhaps even into hundreds of millions if these things were pursued.

On motion of Mr. Macdonnell (Greenwood) the debate was adjourned.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we shall continue the consideration of the resolution in the name of the Prime Minister concerning the Emergency Powers Act. Then if the Leader of the Opposition is in the house we will take up the resolution to revise the Yukon Act so we may continue to discuss the point of order under standing order 60.

Mr. Drew: What does the minister mean by "if the Leader of the Opposition is in the house"?

Mr. Fournier (Hull): I am repeating what I announced yesterday, because I was not sure that the Leader of the Opposition would be here.

Mr. Drew: I rise on a question of privilege. I noticed certain remarks that were made. I have explained already why I was not present. The Speaker was informed why I was not going to be present. I will be here to discuss this matter when it comes up.

Mr. Fournier (Hull): I withdraw that part of what I have said, and the Leader of the Opposition will be here tomorrow. We shall then go on to Bill No. 48, respecting food, drugs, cosmetics and therapeutic devices.

Mr. Drew: Will you ask the Prime Minister to stay in at the same time?

Mr. Fournier (Hull): I have enough to do to take care of the Leader of the Opposition; I cannot take care of everybody.

Mr. Casselman: Better look after yourself.

Mr. Fournier (Hull): If the house wishes to know the business for tomorrow I am ready to give it. We shall then take the resolution in the name of the Minister of Fisheries to approve and confirm the international convention for the high seas fisheries of the north Pacific ocean, signed by Canada, the United States and Japan. I hope we will have time to take up the following bills: Nos. 44, 46, 38 and 39.

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

BUDGET PAPERS

presented by

the Honourable D. C. Abbott, M.P.,

for the information of Parliament

in connection with the Budget of 1953-54

BUDGET PAPERS

FOREWORD

The purpose of these Papers is twofold:

1. to present a general economic review of 1952, bringing together in one place and in convenient form some of the more comprehensive indicators of economic conditions prepared by the Dominion Bureau of Statistics and other Government Agencies, together with brief comments;

2. to present a preliminary review of the Government accounts for the fiscal year ending March 31, 1953.

PART I

ECONOMIC REVIEW OF 1952

PAGE

1. National Accounts—
   - National Income, Product and Expenditure 39
   - Personal Income and its Disposition 42
   - Source and Disposition of Saving 45
   - Investment and Capital Expenditure 48
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2. Balance of International Payments 56

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The tables in this Budget Paper are based upon estimates provided by the Dominion Bureau of Statistics and other Government Departments. Some of the figures appear for the first time; others have been published elsewhere. All 1952 estimates are preliminary and subject to revision.

THE NATIONAL ACCOUNTS

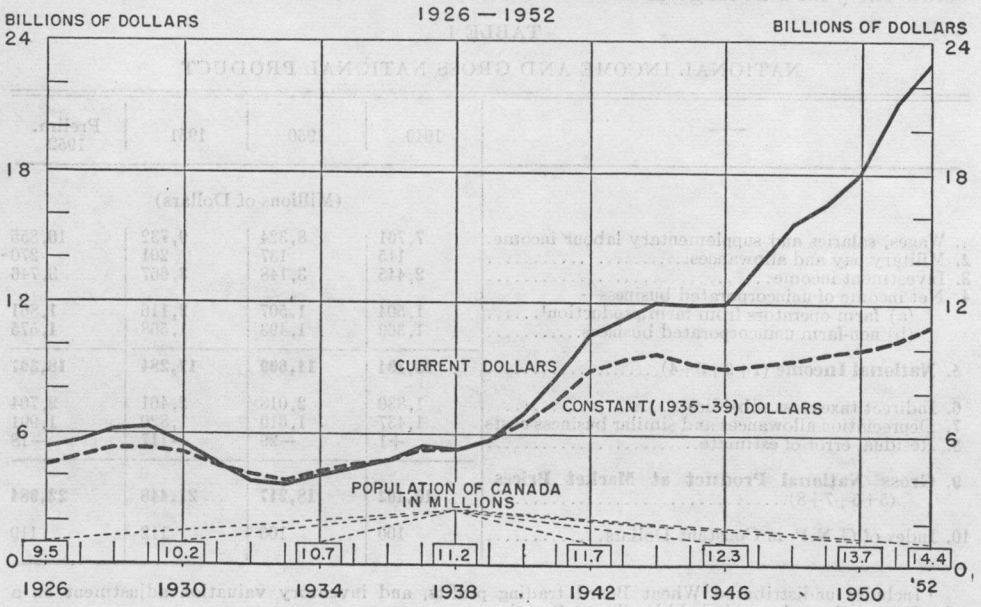
National Income, Product and Expenditure

National Income is the total of the annual earnings of Canadian residents from the production of goods and services. As such it includes salaries, wages and other forms of employee earnings in cash or in kind, as well as military pay and allowances. It includes corporation profits, interest, net rent, and the net income of farmers and others who are in business on their own account.

Gross National Product is the value at market prices of all the goods and services produced in a year by the labour, capital, and enterprise of Canadian residents. It is measured by adding together the costs of production. Part of these costs of production are the factor costs or, more simply, the earnings of the factors of production, labour, capital and enterprise; and the total of these factor costs or earnings is National Income. Indirect taxes and other costs such as depreciation allowances also enter into the cost of goods and services although they do not form part of the income of Canadians. They are, therefore, added to National Income to obtain Gross National Product. Subsidies on the other hand may be regarded as offsets to costs of production and are therefore deducted.

Gross National Expenditure measures the same aggregate as Gross National Product but in a different way. The goods and services produced in a year are either sold at home or abroad or added to inventories. Thus Gross National Expenditure is obtained by adding together all sales and adjusting them for imports and changes in inventories. While Canadian expenditure on imported goods and services is included in the total sales to consumers, to governments, and to business for capital account, it is not part of the disposition of Canadian production and is therefore deducted. But since foreign expenditures on Canadian goods and services, *i.e.*, exports, form part of the earnings of Canadians in the Gross National Product, they are included in Gross National Expenditure.

GROSS NATIONAL EXPENDITURE
IN CURRENT AND CONSTANT (1935-39) DOLLARS
1926 — 1952



68108—137

National Income and Product

Preliminary estimates indicate a gross national product of about $23 billion for 1952. After allowing for the fact that prices averaged somewhat higher in 1952 than in 1951, it is estimated that the increase in terms of volume or real product was about 6 per cent.

While these estimates of change in real product are only approximate, they indicate that 1952 was the third successive year in which the growth in real product was of the order of 5 to 6 per cent. For the three-year period, 1950–1952 inclusive, the total gain has amounted to about 19 per cent, or in per capita terms to a little more than 10 per cent. This rate of gain in real product is more than double that of the preceding three-year period.

As in 1951, a substantial part of the estimated increase in total real product, perhaps a quarter, was the result of increased agricultural production. This increase in agricultural product was almost entirely due to the record western grain crop since other branches of agricultural production did little more than maintain 1951 levels. There were also significant increases in the construction industry, in transportation, communication and storage, in public utilities, in trade and in the service industries which together accounted for more than half of the total increase in real product. Manufacturing production appears to have been about 2 per cent above 1951 levels.

The index of industrial production for the first eleven months of 1952 shows a modest gain of 2 per cent over the comparable period of 1951; and for the year as a whole will probably be 3 per cent above 1951. But it is important to note that these averages obscure significant differences in the pattern of industrial activity in the two years. The year 1951 started off very strongly and the index of industrial production reached a peak of 237·3 in June, from which point it declined steadily to a low of 211·6 in December. In the year 1952, on the other hand, the index of industrial production rose steadily from 212·1 in January to 248·1 in November, or by 17 per cent. In other words, the index of industrial production is estimated to have ended 1952 at about 3 per cent above the year's average of 233, while in 1951 it ended the year about 7 per cent below the year's average of 226·5.

TABLE 1

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
1. Wages, salaries and supplementary labour income.	7,761	8,324	9,732	10,855
2. Military pay and allowances	115	137	201	270
3. Investment income	2,445	3,148	3,667	3,746
4. Net income of unincorporated business—				
(a) farm operators from farm production[1]	1,504	1,507	2,116	1,861
(b) non-farm unincorporated business	1,369	1,493	1,568	1,575
5. National Income (1+2+3+4)	**13,194**	**14,609**	**17,284**	**18,307**
6. Indirect taxes less subsidies	1,830	2,018	2,461	2,704
7. Depreciation allowances and similar business costs	1,437	1,619	1,820	1,991
8. Residual error of estimate	+1	−29	−117	−18
9. Gross National Product at Market Prices (5+6+7+8)	**16,462**	**18,217**	**21,448**	**22,984**
10. Index of G.N.P. in Constant Dollars	100	106	112	119

[1] Includes undistributed Wheat Board trading profits, and inventory valuation adjustment on a calendar year basis for grain held by Wheat Board.

The increase in labour income, the largest component of national income, is estimated at $1123 million for 1952—$100 million greater than the increase in national income itself. As a percentage of national income, labour income rose from 56 per cent in 1951 to 59 per cent in 1952. For the year as a whole, total salaries and wages increased by 12 per cent over 1951 and the increase was continuous throughout the year. Most of the gain was due to higher earnings but there was also an expansion of about 3 per cent in the number of paid workers.

Despite the record western grain crop, net farm income showed a decline of about 12 per cent from the very high level of 1951, but remained 24 per cent above the levels of 1949 and 1950. This was largely the result of lower prices for livestock. A special factor in the decline in Canadian livestock prices was the loss of the United States cattle market following the outbreak of foot and mouth disease in Western Canada; but even before this outbreak, the downward trend in United States meat prices was reducing the yields to Canadian livestock producers. The impact of this downward movement in market prices was mitigated by federal government price support action.

Investment income is estimated to have increased by 2 per cent in 1952 compared with increases of 16 per cent in 1951, 29 per cent in 1950 and a decrease of 1 per cent in 1949. This slower rate of growth in total investment income during 1952 can be ascribed to the estimated decline in corporation profits. Corporation profits constitute about two-thirds of total investment income and were very buoyant in 1950 and 1951. Such evidence as is available suggests that the trend in corporation profits is again upward from the lower levels reached in the latter part of 1951 and the early part of 1952.

National Expenditure

During 1952 the volume of Canadian production increased by 6 per cent. At the same time, the amount of inventory accumulation was much smaller in 1952 than in 1951. Consequently the volume increase in goods and services used during 1952 for purposes other than additions to inventory was much closer to 9 per cent than to 6 per cent. This increase was distributed across all the broad categories of expenditure, but consumer expenditure and government expenditure together absorbed about 80 per cent of it.

TABLE 2

GROSS NATIONAL EXPENDITURE

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
1. Personal expenditure on consumer goods and services	10,963	11,994	13,234	14,290
2. Government expenditure on goods and services	2,128	2,326	3,201	4,211
3. Gross domestic investment—				
(a) plant, equipment and housing	2,968	3,216	3,810	4,138
(b) change in inventories	231	980	1,620	176
4. Exports of goods and services[1]	4,011	4,185	5,099	5,650
5. Imports of goods and services[1]	−3,837	−4,514	−5,633	−5,500
6. Residual error of estimate	−2	+30	+117	+19
7. Gross National Expenditure at Market Prices (1+2+3+4+5+6)	**16,462**	**18,217**	**21,448**	**22,984**
8. Index of G.N.E. in Constant Dollars	100	106	112	119

[1] Minor adjustments have been made to the figures of current receipts and payments shown in Table 11 and in "The Canadian Balance of International Payments, 1926 to 1951", Dominion Bureau of Statistics, to achieve consistency with the other component series.

68108—137½

Consumer expenditure rose from $13,234 million in 1951 to $14,290 million in 1952, an increase of 8 per cent in value and 6 per cent in real terms. This is in sharp contrast with the year 1951 when consumer expenditure in real terms remained almost constant. As noted above, however, there was in 1952 a much smaller drain on production for purposes of increasing inventories than in 1951. The expansion in consumer expenditure, and in defence expenditure, and capital investment as well, may be thought of in part as replacing the demand for inventory accumulation which fell so sharply.

About two-thirds of the $1,010 million increase in government expenditure on goods and services was the result of the increase in defence spending. In real terms the increase in defence and non-defence spending on goods and services was a little larger than the increase in consumer expenditure. Investment in plant, equipment and housing increased by $328 million, an increase of 9 per cent in value and 5 per cent in volume. Inventory accumulation as a whole was lower than at any time since 1949. There were large increases in both the value and volume of farm inventories and grain held in commercial channels but the value of business inventories declined during the year. However, this decrease in the value of business inventories was the result of lower prices rather than a volume reduction.

Personal Income and its Disposition

For the purpose of showing the relationship between the incomes, spending and saving of Canadians, Personal Income is a more useful concept than National Income.

Personal Income differs from National Income in a number of ways. It is defined as the sum of current receipts of income regardless of whether these receipts are earnings from production. Thus it includes only that part of corporation profits which is actually received by Canadian persons as dividends. Similarly deductions must also be made from employees' total earnings for unemployment insurance contributions or pensions contributions which, although forming part of the compensation for services performed, are not actually received by the employee within the year. On the other hand, transfer payments such as family allowances, old age pensions, veterans' benefits and charitable contributions of corporations, are part of personal income although they are not payments for services and, therefore, do not form part of National Income.

A special adjustment is necessary for farm income since the farmer does not receive full payment for his grain at the time it is delivered to the Wheat Board. An initial payment is made upon delivery and subsequent payments are determined on the basis of the price realized by the Board. Thus for a time a part of the farmer's income accumulates with the Wheat Board. For purposes of national income, net farm income is shown in Table 1 on an accrued basis and includes income accumulated with the Wheat Board on behalf of farmers. For purposes of personal income, however, an adjustment is necessary to exclude such accumulated income and to include only the disbursements of the Wheat Board whether in respect of current or prior years' deliveries.

Total personal income rose by $1,294 million or 8 per cent during 1952 despite a substantial decline in farm income from its record 1951 level. This increase in personal income was almost wholly a gain in real income since consumer prices as represented by the consumer price index averaged only 2·5 per cent higher than in 1951. The gain in real income was somewhat greater in the latter part of the year as prices continued a gradual downward movement while incomes continued to expand.

TABLE 3

SOURCES OF PERSONAL INCOME

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
1. Wages, salaries and supplementary labour income..	7,761	8,324	9,732	10,855
Deduct: Employer and employee contributions to social insurance and government pension funds.	−239	−256	−302	−328
2. Military pay and allowances	115	137	201	270
3. Net income received by farm operators from farm production[1]	1,600	1,406	2,174	1,877
4. Net income of non-farm unincorporated business...	1,369	1,493	1,568	1,575
5. Interest, dividends and net rental income of persons[2]	1,157	1,299	1,403	1,484
6. Transfer payments to persons (excluding interest)—				
(a) from government	950	1,032	1,022	1,358
(b) charitable contributions made by corporations	23	25	29	30
(c) net bad debt losses of corporations	21	23	25	25
7. Personal Income (1+2+3+4+5+6)	**12,757**	**13,483**	**15,852**	**17,146**

[1] Excludes undistributed profits of the Wheat Board and an inventory valuation adjustment on a calendar year basis for grain held by the Wheat Board.

[2] Includes all government debt interest paid to persons.

The increase in personal income was due in the main to two factors, the steady expansion in salaries and wages and the beginning of the old age security payments. About 85 per cent of the increase in personal income was the result of the 12 per cent rise in labour income net of employer and employee contributions to social insurance and government pension funds. Government transfer payments rose by $336 million, two-thirds of which was accounted for by the increase in old age security payments. Military pay and allowances were $69 million higher, or 34 per cent above the 1951 level.

Net income received by farmers declined by 14 per cent from the record level of 1951 but was about 25 per cent above the average of 1949 and 1950. The decline in farm receipts was mainly the result of lower prices for agricultural products, although lower Wheat Board disbursements were a contributing factor. As mentioned above, the volume of agricultural production was considerably higher than in 1951. Income of unincorporated business other than farming is estimated to have increased slightly. Dividends paid out by corporations decreased somewhat but investment income from other sources was higher.

TABLE 4

DISPOSITION OF PERSONAL INCOME

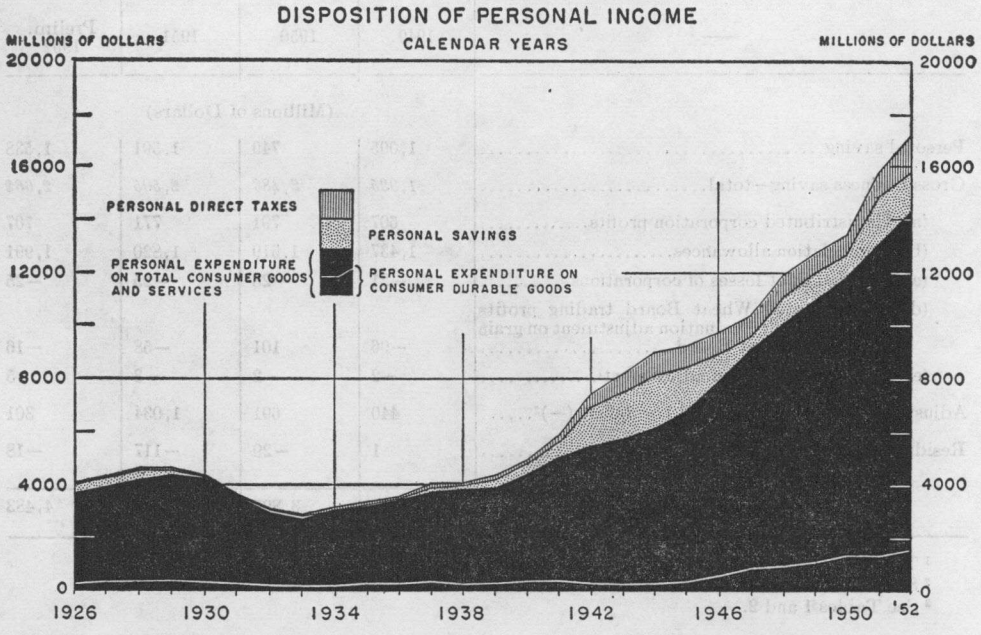
—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
1. Personal direct taxes—				
(a) income taxes	677	612	891	1,177
(b) succession duties	55	66	69	69
(c) miscellaneous taxes	57	62	67	72
Total direct taxes	789	740	1,027	1,318
2. Personal expenditure on consumer goods and services—				
Goods—				
(a) non-durable	6,799	7,207	7,904	8,397
(b) durable	1,084	1,347	1,399	1,567
Services	3,080	3,440	3,931	4,326
Total consumer expenditure	10,963	11,994	13,234	14,290
3. Personal saving—				
(a) personal saving excluding farm inventories	1,077	618	1,237	1,295
(b) change in farm inventories	−72	131	354	243
Total personal saving	1,005	749	1,591	1,538
4. Personal Income (1+2+3)	**12,757**	**13,483**	**15,852**	**17,146**

There were also significant differences from 1951 in the disposition of income. Payments for personal direct taxes increased by $291 million or 28 per cent. This was partly because of the fact that it was the first full year for which the higher rates imposed after Korea had been in effect, but most of the increase can be attributed to the rise in incomes.

While disposable income, or personal income after taxes, increased by $1,003 million, personal expenditure rose by $1,056 million. Thus Canadians enjoyed a substantially higher level of consumption in 1952 without materially affecting their rate of savings. In fact, if we deduct saving in the form of farm inventories, which is subject to special influences, the estimated $1,295 million saved in 1952 was higher than the amount saved in 1951. Personal saving, excluding saving in the form of farm inventories, was 8·2 per cent of disposable income in 1952 compared with 8·3 per cent in 1951, 4·8 per cent in 1950 and 9·0 per cent in 1949.

Purchases of durable consumer goods declined rapidly after the first quarter of 1951 and this situation continued until the spring of 1952. At that time a number of factors appear to have combined to cause an increase in retail sales. Consumer credit restrictions were withdrawn and the special excise taxes on certain goods were reduced. In general, the restraint in consumer buying over the preceding months had contributed to lower prices and this, together with

the rise in money incomes, resulted in a continuous increase in the buying potential. Moreover, the slower pace of spending during the preceding twelve months had probably created a new backlog of demand. At any rate, the increase in durable goods sales was such that for 1952 as a whole they exceeded 1951 by 12 per cent in value and about 10 per cent in volume. There was a sharp increase in consumer debt associated with the pick-up in sales of durables which occurred in the last eight months of the year. In the non-durable group there were also sizeable increases in both food and clothing, and services continued to expand. After allowing for price changes, the volume of total consumer expenditure rose by about 6 per cent or in per capita terms by about 3 per cent.



Source and Disposition of Saving

Saving is the source from which investment expenditure is financed. Income arising out of production may either be spent or saved. At the same time production will be absorbed either by consumption expenditure, or by investment expenditure at home for new plant, equipment, housing, or additions to inventory, or by investment abroad. It is, therefore, possible to construct tables which show, on the one hand, the sources of saving and, on the other, the use of these savings to finance gross investment at home or investment abroad.

In addition to personal saving which was mentioned above, there can be government saving and business saving. If, for example, governments have a surplus of revenue over expenditure, this surplus constitutes part of the nation's saving, as presented in the national accounts. If there are government deficits they are an offset to the total of private saving by individuals and businesses.

During 1952 it is estimated that the nation as a whole saved $530 million less than in 1951, a decline of 11 per cent. This was not due, however, to any decline in the rate of private saving. But the total surplus for all levels of government combined dropped by $733 million or from $1,034 million in calendar year 1951 to $301 million in calendar year 1952. Thus the amount saved during the year by persons and businesses, although substantially unchanged from 1951 in absolute amount, became relatively more important and constituted 94 per cent of total saving in 1952 compared with 82 per cent in the previous year.

TABLE 5

SOURCES OF SAVING

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
Personal saving	1,005	749	1,591	1,538
Gross business saving—total	*1,925*	*2,486*	*2,505*	*2,662*
(a) Undistributed corporation profits	607	791	771	707
(b) Depreciation allowances	1,437	1,619	1,820	1,991
(c) Net bad debt losses of corporations	−21	−23	−25	−25
(d) Undistributed Wheat Board trading profits and inventory valuation adjustment on grain held by Wheat Board	−96	101	−58	−16
(e) Inventory valuation adjustment[1]	−2	−2	−3	5
Adjusted government surplus (+) or deficit (−)[2]	440	691	1,034	301
Residual error of estimate[3]	1	−29	−117	−18
Total	3,371	3,897	5,013	4,483

[1] The adjustment has been made only to grain held in commercial channels.
[2] See Table 10.
[3] See Tables 1 and 2.

Personal saving for 1952 is estimated at $1,538 million or almost 10 per cent of personal disposable income. It constituted 34 per cent of the nation's total saving from all sources compared with 32 per cent in 1951. If saving in the form of farm inventories is excluded, personal saving was somewhat higher than in 1951. This fact, taken in conjunction with the rise in the volume of consumer expenditure, directs attention to the noteworthy improvement in real income which occurred during the year.

In 1952, about 7 per cent of the nation's total saving was made up of the combined surplus of federal, provincial and municipal governments compared with about 21 per cent in 1951. This reduction in government saving was entirely the result of the reduction in the federal surplus as estimated for national accounts purposes.

It is estimated that our total receipts from abroad on current account exceeded our total payments by $150 million in 1952 and there was, therefore, a net increase of like amount in our foreign assets. This was in sharp contrast

to both 1950 and 1951 when there were substantial net inflows of capital from abroad. Thus the nation's total investment in 1952 comprised not only gross domestic investment in plant, equipment and housing but a modest foreign investment or increase in our net foreign assets. These transactions are treated more fully in the section on the Balance of International Payments.

TABLE 6

DISPOSITION OF SAVING

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
Gross domestic investment—				
Housing, plant and equipment	2,968	3,216	3,810	4,138
Change in inventories	231	980	1,620	176
Net increase in foreign assets (including foreign exchange) adjusted[1]	174	−329	−534	150
Residual error of estimate[2]	−2	+30	+117	+19
Total	3,371	3,897	5,013	4,483

[1] Minor adjustments have been made to the figures appearing in Table 11.
[2] See Tables 1 and 2.

Business saving consists for the most part of amounts set aside for depreciation and of undistributed profits. The preliminary estimate of corporation profits before taxes indicates a reduction tentatively set at $120 million or about 4 per cent below the 1951 total. Since this decrease in corporation profits is larger than the estimated reduction in corporation taxes and dividend payments, some decline in undistributed profits seems probable. However, it is too early in the year to estimate any of these aggregates with confidence.

TABLE 7

CORPORATION PROFITS, TAXES AND DIVIDENDS

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
Corporation profits before taxes[1]	1,906	2,490	2,850	2,730
Deduct corporation taxes[2]	−731	−1,023	−1,418	−1,405
Corporation profits after taxes	1,175	1,467	1,432	1,325
Deduct dividends paid out[3]	−568	−676	−661	−618
Undistributed corporation profits[4]	607	791	771	707

[1] Includes depletion charges and is adjusted for losses, and for conversion to a calendar year basis.
[2] Taxes paid or payable in respect of the calendar year's income. (See Table 10).
[3] Includes charitable contributions made by corporations. (See Table 3 Item 6 (b)).
[4] See Table 5.

Investment and Capital Expenditure

It is estimated that investment in plant, equipment and housing amounted to $4,138 million in 1952, an increase of $328 million or 9 per cent over 1951. It was approximately 18 per cent of gross national expenditure in both years. The largest increase was in non-residential construction which was 17 per cent above 1951 in value and 10 per cent in volume. Housing rose by almost 3 per cent in value terms but after allowances are made for price changes the indicated volume was virtually unchanged. However, residential building activity rose markedly in the last half of the year with housing starts running at the annual rate of more than 90,000 compared with 70,000 for 1951. Investment in machinery and equipment was larger than in 1951 by 5 per cent in value and 4 per cent in volume but this increase was much less pronounced than the 27 per cent

TABLE 8

GROSS DOMESTIC INVESTMENT

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
Housing, plant, and equipment—total[1]	2,968	3,216	3,810	4,138
New residential construction	742	801	781	803
Other new construction	903	1,026	1,260	1,476
New machinery and equipment	1,323	1,389	1,769	1,859
Change in inventories—total	231	980	1,620	176
Grain in commercial channels[2]	−16	60	—	92
Farm grain and livestock[2]	−72	131	354	243
All other inventories[3]	319	789	1,266	−159
Gross Domestic Investment[4]	**3,199**	**4,196**	**5,430**	**4,314**

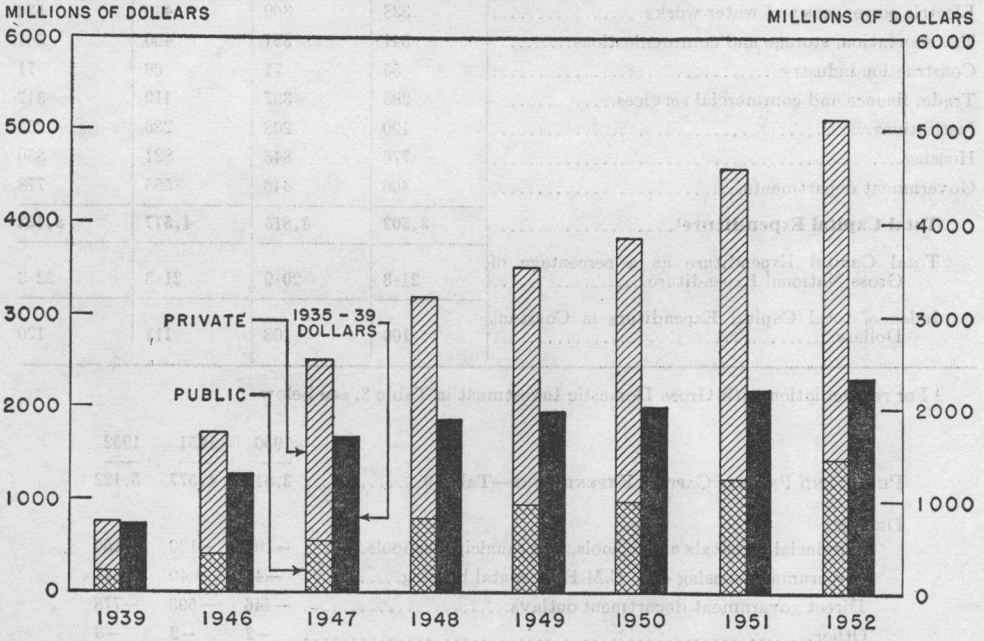
[1] Includes private businesses and institutions, and publicly owned public utilities.
[2] Value of physical change.
[3] Change in value. Includes privately financed industrial and trade inventories.
[4] See Table 2, Item 3 and footnote to Table 9, p. 16.

value increase of 1951. The most significant change in the pattern of investment during 1952 was the much lower percentage of total production diverted to increasing business inventories. Business inventories are estimated to have increased by 1 per cent in volume compared with the 11 per cent increase of 1951. In 1951 the large inventory build-up together with the increase in defence spending placed a considerable strain on the economy and absorbed about 80 per cent of the increase in output for that year. In 1952, on the other hand, the decline in the rate of inventory accumulation freed production for other purposes and was great enough to make room for not only all of the increase in investment in plant, equipment and housing but more than one-half of the increase in consumer spending as well.

Table 9 gives an industrial distribution of business capital expenditures and brings them together with public capital outlays included under government expenditure in Table 2. The total of public and private capital expenditures increased by $545 million or 12 per cent during 1952. In real terms the increase

is estimated at 8 per cent. The most noteworthy feature of the 1952 capital programme was the increase in expenditure by those industries contributing directly to the defence effort and those engaged in developing the strategic natural resources of the nation. The increased emphasis on investment in large scale resource development projects became apparent after 1948. The demand generated by Western re-armament after the outbreak of war in Korea provided a further incentive for this type of development. At the same time government measures encouraged the deferment of less essential forms of capital investment.

PUBLIC AND PRIVATE CAPITAL EXPENDITURE



During 1952 the increase in capital outlays in four groups, utilities, manufacturing, mining and government departments was slightly greater than the total increase in capital expenditure. Capital outlays by government departments increased by $183 million or 31 per cent and accounted for one-third of the total increase in capital expenditure during 1952. Almost all of this increase was for federal government defence projects and for capital assistance to industries filling defence contracts. Capital expenditure in utilities, mining and manufacturing increased by $376 million or 20 per cent. Included in the sectors showing important gains over 1951 were new developments in iron ore mining, asbestos mining and oil well drilling. In manufacturing the largest increases were in chemicals, iron and steel, oil refineries, non-ferrous metals, transportation equipment and in electric apparatus and supplies. In the utilities group the largest single increase was in oil and gas pipe lines. Steam railways, telephones, central electric stations, water works and water transport also showed important gains. These increases were offset to some extent by significant declines in trade, finance and commercial services, and to a lesser extent in some manufacturing industries catering to consumer needs.

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TABLE 9

PUBLIC AND PRIVATE CAPITAL EXPENDITURE

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
Agriculture and fishing	419	473	515	566
Forestry	26	34	58	35
Mining, quarrying and oil wells	122	119	181	211
Manufacturing	536	502	793	942
Electric power, gas and water works	338	369	440	536
Transportation, storage and communications	341	351	460	561
Construction industry	55	71	66	71
Trade, finance and commercial services	293	397	412	317
Institutions	190	208	236	255
Housing	776	845	821	850
Government departments	406	446	595	778
Total Capital Expenditure[1]	**3,502**	**3,815**	**4,577**	**5,122**
Total Capital Expenditure as a percentage of Gross National Expenditure	21·3	20·9	21·3	22·3
Index of total Capital Expenditure in Constant Dollars	100	103	111	120

[1] For reconciliation with Gross Domestic Investment in Table 8, see below

	1950	1951	1952
PUBLIC AND PRIVATE CAPITAL EXPENDITURE—Table 9	3,815	4,577	5,122
DEDUCT:			
Provincial hospitals and schools, and municipal schools	−107	−130	−156
Government housing excl C.M.H.C. rental housing	−44	−40	−47
Direct government department outlays	−446	−595	−778
Other	−2	−2	−3
ADD:			
Change in Inventories	980	1,620	176
TOTAL GROSS DOMESTIC INVESTMENT—Table 8	4,196	5,430	4,314

Revenue and Expenditure of All Governments

In Table 10 "Government Transactions Related to the National Accounts" an attempt is made to bring together in one statement and under uniform headings, the activities of all governments in Canada on a calendar year basis.

The table is designed to include only those transactions which have relevance for the National Accounts, and consequently the surpluses or deficits shown here do not agree with those shown in the various public accounts. It has been necessary to adjust the conventional accounting statements of fiscal year revenue and expenditure to exclude certain transactions such as those relating to reserves, write-offs, amortization, and other non-cash items, as well as the purchase and sale of existing capital assets; and to include the transactions of extra-budgetary funds such as unemployment insurance, old age security, workmen's compensation and government pension funds. Government loans and investments, and debt retirement, are not included in government expenditure.

In the federal accounts, some of the more substantial adjustments are as follows: elimination of reserve for possible losses on active assets, elimination of reserve for veterans' conditional benefits, elimination of expenditures charged with respect to the assumption of Newfoundland debt in 1949, elimination of expenditures charged with respect to shipment from stocks of military equipment to N.A.T.O. countries, addition of expenditures out of Defence Equipment Replacement Account, elimination of write-down of active assets to non-active account, adjustment of corporation taxes to an accrual basis, inclusion of the change in inventories of government commodity agencies and the Defence Production Revolving Fund, adjustment of interest on the public debt from an accrual to a due date basis in 1952, and elimination of sales of war assets. In addition, the federal figures are adjusted to a calendar year basis by using the monthly figures published by the Comptroller of the Treasury.

Municipalities are for the most part on a calendar year basis but the provincial figures are based on the provincial fiscal years. Because of the lack of current information the 1952 figures for provincial and municipal governments involve a considerable element of estimation.

Federal government expenditure on goods and services increased by $815 million or 48 per cent in the calendar year 1952. About 84 per cent of this increase was the result of increased defence spending which rose from $1,149 million in 1951 to $1,832 million in 1952. This increase in defence spending absorbed almost one-half of the nation's total increase in real product in 1952. From the standpoint of direct use of resources, the significance of defence spending is also demonstrated by the fact that it constituted almost 75 per cent of the federal government's total expenditure on goods and services in 1952. Excluding the increase in government held inventories, largely associated with price support, federal non-defence spending on goods and services rose by 7 per cent in value and perhaps 1 per cent in volume. The increase in provincial and municipal expenditure on goods and services for 1952 is estimated at a little less than 13 per cent of which about half is estimated to be due to price increases.

TABLE 10

GOVERNMENT TRANSACTIONS RELATED TO THE NATIONAL ACCOUNTS

—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
GOVERNMENT REVENUE—				
Direct Taxes—Persons	789	740	1,027	1,318
Income—				
Federal	674	612	891	1,177
Provincial and Municipal	3	—	—	—
Succession Duties—				
Federal	26	35	35	39
Provincial	29	31	34	30
Miscellaneous—				
Federal	7	7	6	7
Provincial and Municipal	50	55	61	65
Direct Taxes—Corporations	731	1,023	1,418	1,405
Income—				
Federal	601	877	1,230	1,317
Provincial	130	146	188	88
Other Direct Taxes—				
Withholding taxes—Federal	47	54	56	55
Indirect Taxes	1,907	2,081	2,594	2,794
Federal	1,048	1,115	1,495	1,595
Provincial and Municipal	859	966	1,099	1,199
Investment Income	357	400	439	499
Federal	110	134	152	195
Provincial and Municipal	247	266	287	304
Employer and Employee Contributions to Social Insurance and Government Pension Funds	239	256	302	328
Federal	141	159	200	218
Provincial and Municipal	98	97	102	110
Transfers from Other Governments—				
Provincial and Municipal	182	251	260	367
Total Revenue	4,252	4,805	6,096	6,766
Federal	2,654	2,993	4,065	4,603
Provincial and Municipal	1,598	1,812	2,031	2,163
Deficit (or surplus−)	**−440**	**−691**	**−1,034**	**−301**
Federal[1]	−497	−683	−1,006	−273
Provincial and Municipal	57	−8	−28	−28
Total Revenue plus Deficit (or minus Surplus)	**3,812**	**4,114**	**5,062**	**6,465**
Federal	2,157	2,310	3,059	4,330
Provincial and Municipal	1,655	1,804	2,003	2,135

[1] For reconciliation with Public Accounts Surplus, see page 19.

TABLE 10—Concluded

GOVERNMENT TRANSACTIONS RELATED TO THE NATIONAL ACCOUNTS

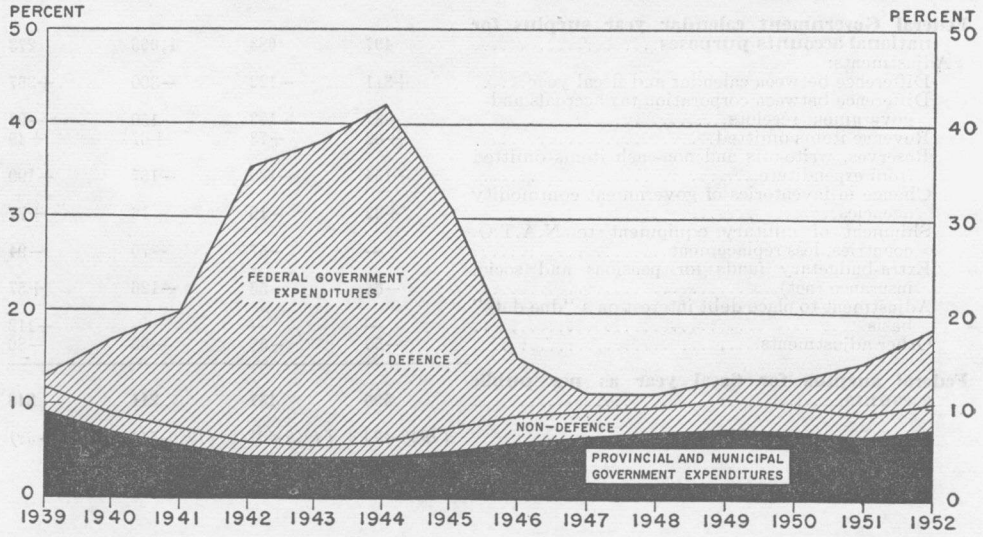
—	1949	1950	1951	Prelim. 1952
	(Millions of Dollars)			
GOVERNMENT EXPENDITURE—				
Goods and Services	2,128	2,326	3,201	4,211
Federal—				
Defence	361	493	1,149	1,832
Non-defence	519	487	534	666
Provincial and Municipal	1,248	1,346	1,518	1,713
Transfer Payments	1,425	1,474	1,468	1,797
Federal	1,022	1,019	987	1,378
Provincial and Municipal	403	455	481	419
Subsidies	77	63	133	90
Federal	73	60	129	87
Provincial and Municipal	4	3	4	3
Transfers to Other Governments—				
Federal	182	251	260	367
Total Expenditure	**3,812**	**4,114**	**5,062**	**6,465**
Federal	2,157	2,310	3,059	4,330
Provincial and Municipal	1,655	1,804	2,003	2,135

	1949	1950	1951	1952
Reconciliation with Public Accounts Surplus:	(Millions of Dollars)			
Federal Government calendar year surplus for national accounts purposes	**497**	**683**	**1,006**	**273**
Adjustments:				
Difference between calendar and fiscal year	+311	−122	−300	+367
Difference between corporation tax accruals and government receipts	−34	−183	−150	−93
Revenue items omitted	+62	+73	+67	+49
Reserves, write-offs and non-cash items omitted from expenditure	−154	−130	−167	−190
Change in inventories of government commodity agencies	+32	−19	−16	+77
Shipment of military equipment to N.A.T.O. countries, less replacement	—	−57	−70	−94
Extra-budgetary funds for pensions and social insurance (net)	−68	−56	−126	+57
Adjustment to place debt interest on a "due date" basis	—	—	—	−112
Other adjustments	−50	−58	−33	−86
Federal surplus for fiscal year as per public accounts	**596**	**131**	**211**	**248**
	(1948–49)	*(1949–50)*	*(1950–51)*	*(1951–52)*

Federal transfer payments increased sharply from $987 million in 1951 to $1,378 million in 1952 or by 40 per cent. About two-thirds of this increase is accounted for by the commencement of federal old age security payments of $40 per month to Canadians 70 years of age and over. There were also substantial increases in unemployment insurance benefits and veterans' pensions, and a steady growth in family allowance payments. The combined total of provincial and municipal transfer payments declined because the assumption by the federal government of the cost of old age pensions for those 70 years and over more than offset increases in other items.

Federal government revenues did not increase as rapidly in 1952 as did expenditures. Thus, total federal revenues for the calendar year 1952 are estimated to have increased by $538 million compared with a rise of $1,271 million in expenditures. More than half of the increase in federal revenue came from personal income tax collections which rose by $286 million or 32 per cent. Higher incomes were the major factor in the higher yield of the personal income tax. At the same time, while the higher tax rates effective July 1, 1951 were not substantially changed in 1952, the average reduction of 6 per cent in tax rates being more or less offset by the addition of the old age security levy of 2 per cent on income, they applied in the latter year to a full twelve month period. In contrast to the large increase in personal income tax collections, revenue from corporation taxes was practically unchanged in 1952. There was an estimated increase of $87 million in accrued liability for corporation taxes at the federal level but this was more than offset by the decline in provincial yields. These offsetting changes were largely the result of Ontario's withdrawal from the corporation tax field under the 1952 tax rental agreement and the change in the 1952 tax rental agreements whereby the 5 per cent corporation tax previously levied by the provinces was absorbed into the federal tax structure. During 1952 federal revenues from indirect taxes rose by $100 million or 7 per cent compared to an increase of $100 million or 9 per cent for provincial and municipal

GOVERNMENT EXPENDITURES ON GOODS AND SERVICES
AS A PERCENTAGE OF GROSS NATIONAL PRODUCT



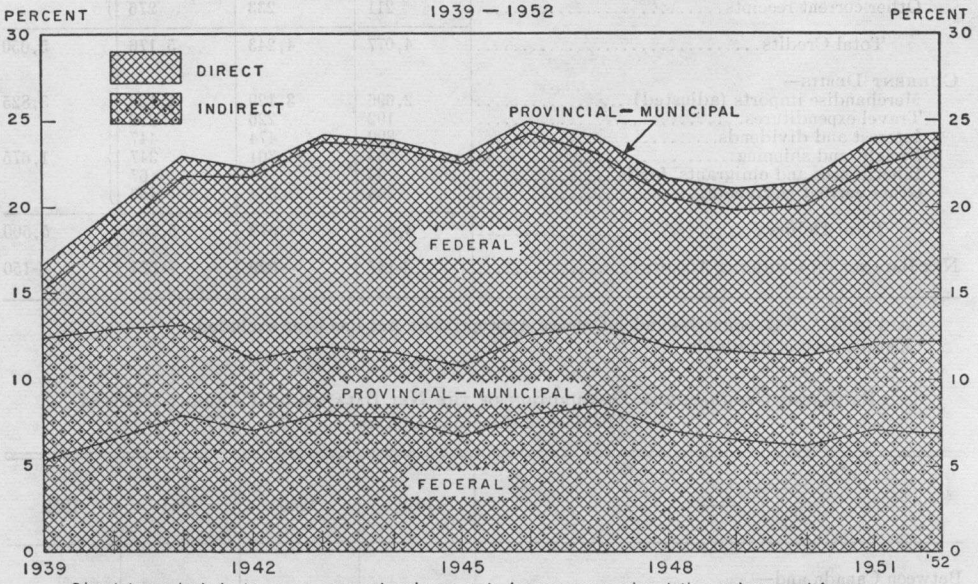
governments combined. At the federal level the 10 per cent sales tax applicable for twelve months instead of nine in the previous year and the expansion in consumer spending outweighed the reduction in certain excise tax rates which took effect in April, 1952.

For all levels of government combined, indirect taxes exceeded direct taxes by 22 per cent in 1949, 15 per cent in 1950 and 4 per cent in 1951; but in 1952 they were almost equal.

As indicated above, federal expenditures for the calendar year 1952 increased a great deal more rapidly than did revenues. Consequently the surplus, as calculated for national accounts purposes, fell from $1,006 million in the calendar year 1951 to $273 million in 1952. It constituted 6 per cent of the nation's total saving in 1952 compared with 20 per cent in 1951. The combined surplus of all provincial and municipal governments is estimated at $28 million for 1952, unchanged from 1951.

The federal surplus shown for National Accounts purposes differs substantially from the public accounts surplus, not only because of the difference between the calendar and fiscal year, but because of other adjustments made to both revenues and expenditures to make the presentation consistent with figures shown for other sectors of the economy. A reconciliation table has, therefore, been appended to the government table which summarizes the major adjustments.

GOVERNMENT DIRECT AND INDIRECT TAXATION
AS A PERCENTAGE OF GROSS NATIONAL PRODUCT
1939 — 1952



Direct taxes include taxes on personal and corporate income, succession duties and personal fees.
Indirect taxes include taxes on commodities, services, real property and business fees.

BALANCE OF INTERNATIONAL PAYMENTS

When goods are exported, unless they are given away, they give rise to payments or debts in favour of Canada. Similarly, when goods are imported they give rise to payments or debts in favour of the rest of the world. Other transactions such as interest and dividend payments, the tourist trade, freight and shipping charges, also give rise to similar payments or debts in either direction. The difference between the debits and credits arising from these current transactions is referred to as the net balance of international payments on current account. When total debits exceed total credits within a year, as was the case in 1950 and 1951, Canada goes into debt to the rest of the world or the rest of the world pays off some of its debt to Canada. When total credits exceed total debits as was the case in 1952, the net position is, of course, reversed.

TABLE 11

BALANCE OF INTERNATIONAL PAYMENTS

ESTIMATED CURRENT ACCOUNT BETWEEN CANADA AND ALL COUNTRIES
(Millions of Canadian Dollars)

—	1949	1950	1951	Prelim. 1952[2]
CURRENT CREDITS—				
Merchandise exports (adjusted)[1]	2,989	3,139	3,950	4,325
Non-monetary gold	139	163	150	150
Travel expenditures	286	275	271	
Interest and dividends	83	91	115	
Freight and shipping	303	284	337	1,175
Inheritances and immigrants' funds	66	58	77	
Other current receipts	211	233	276	
Total Credits	4,077	4,243	5,176	5,650
CURRENT DEBITS—				
Merchandise imports (adjusted)	2,696	3,129	4,103	3,825
Travel expenditures	192	226	280	
Interest and dividends	390	474	447	
Freight and shipping	253	301	347	1,675
Inheritances and emigrants' funds	53	58	67	
Other current payments	306	384	456	
Total Debits	3,890	4,572	5,700	5,500
NET BALANCE ON CURRENT ACCOUNT	+187	−329	−524	+150

[1] Aid to N.A.T.O. countries under Defence Appropriation Act has been excluded.
[2] Details not yet available.

ESTIMATED GEOGRAPHICAL DISTRIBUTION OF THE NET BALANCE ON CURRENT ACCOUNT
(Millions of Canadian Dollars)

—	1949	1950	1951	1952
Between Canada and—				
United States	−589	−403	−955	Not
United Kingdom	+439	+28	+220	yet
Rest of the Sterling Area	+135	−23	−29	Available
Other OEEC Countries	+187	+109	+220	
Other Countries	+15	−40	+20	
All Countries	+187	−329	−524	+150

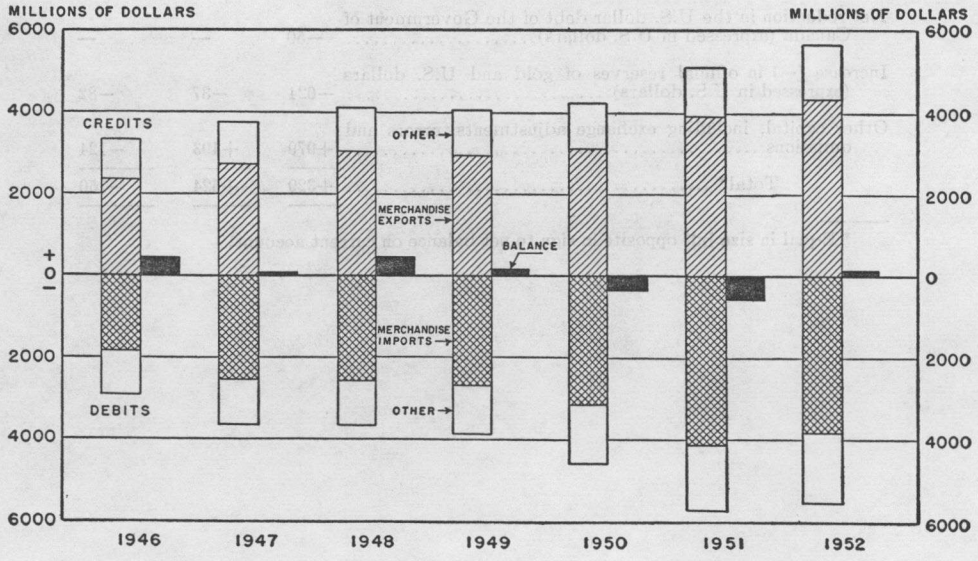
During 1952 there was a pronounced improvement in Canada's overall balance of payments position. Exports increased in value by about 10 per cent and imports fell by about 1 per cent. After taking account of adjustments to these merchandise figures and of changes in the service and non-merchandise items, the current surplus for the year is estimated to be about $150 million, in contrast to the deficit of $524 million in 1951.

A significant factor in the improvement of about $674 million in our current position was the change in the terms of trade, the ratio of export prices to import prices. Imports and exports both increased in volume by about 12 per cent in 1952 compared with the previous year. However, 1952 export prices were only slightly below those prevailing in 1951, and the prices of imports declined by more than 12 per cent. Almost all of the change in the terms of trade was concentrated in the last half of 1951 and the first half of 1952. In recent months import and export prices have tended to stabilize, with the terms of trade remaining more or less constant.

The change in the current account between the two years was also affected by the substantial prepayments in 1951 for military equipment for future delivery. In 1952 actual imports of military equipment were larger than payments. Adjustments to the current account arising out of these prepayments tended to increase the size of the deficit in 1951, and improved the net balance in 1952. The deficit for the non-merchandise items in the 1952 current account was somewhat lower than in 1951. Higher net payments on travel account were more than offset by lower net payments for interest and dividends and for other current services.

The sustained level of export prices, at a time when many world prices were declining, reflected the continuing strong demand for Canadian products abroad. Exports of wheat, newsprint and the base metals showed the largest gains during the year, although exports of some manufactures such as automobiles and trucks rose sharply. On the imports side, the main increases were in military equipment, machinery and other manufactures. Imports of some basic primary commodities such as wool and cotton were substantially lower than in 1951.

BALANCE OF INTERNATIONAL PAYMENTS



Trade with the United States showed no pronounced changes, with exports to that country slightly higher in spite of the embargo on cattle and meat sales arising out of the foot and mouth outbreak. The outstanding change in the direction of trade was the rise in exports to overseas countries. Exports to the United Kingdom increased by over $100 million, and to other non-sterling markets by nearly $250 million. The net improvement in the current account was largely the result of increased sales to these overseas countries and some decline in the level of Canadian overseas imports.

Direct investment in Canada and sales of new Canadian issues abroad amounted in magnitude to around $500 million, and provided a further element of strength in the balance of payments. However, the outward movement of capital, largely in the form of liquidations by non-residents of holdings of Canadian securities and the change in commercial accounts receivable and payable and in short-term balances, was even larger than the inflow for direct and long-term investment. There was also an increase in the official reserves of gold and U.S. dollars which rose during 1952 by $82 million, and reached a level of $1,860 million by the end of the year. The net outflow of capital which includes the increase in official reserves of gold and U.S. dollars, was of course equal to the current account surplus.

The strength in the overall balance of payments position contributed to the rise in the exchange rate for the Canadian dollar during the year. From a position of approximate parity with the United States dollar in January 1952, the Canadian dollar appreciated to a premium of 4 per cent in September. Subsequently it declined slightly and ended the year at a premium of about 3 per cent. The strong exchange rate tended to reduce the Canadian dollar prices of both exports and imports, and was an important factor contributing to the decline in the domestic price level.

(Millions of Dollars)

Capital Movements	1950	1951	Prelim. 1952
Loans to United Kingdom and other governments—			
Drawings	−50	—	—
Repayments	+74	+68	+56
Net reduction in the U.S. dollar debt of the Government of Canada (expressed in U.S. dollars)	−50	—	—
Increase (−) in official reserves of gold and U.S. dollars (expressed in U.S. dollars)	−624	−37	−82
Other capital, including exchange adjustments, errors and omissions	+979	+493	−124
Total*	+329	+524	−150

* Equal in size but opposite in sign to net balance on current account.

TABLE 12

CANADA'S OFFICIAL HOLDINGS OF GOLD AND U.S. DOLLARS

(Millions of U.S. Dollars)

—	Exchange Fund Account and Bank of Canada		Other Government of Canada Accounts	Total
	Gold	U.S. Dollars	U.S. Dollars	Gold and U.S. Dollars
Sept. 15, 1939	204·9	33·8	22·4	261·1
Dec. 31, 1939	218·0	54·8	33·4	306·2
Dec. 31, 1940	136·5	172·8	20·8	330·1
Dec. 31, 1941	135·9	28·2	23·5	187·6
Dec. 31, 1942	154·9	88·0	75·6	318·5
Dec. 31, 1943	224·4	348·8	76·4	649·6
Dec. 31, 1944	293·9	506·2	102·1	902·2
Dec. 31, 1945	353·9	922·0	232·1	1,508·0
Dec. 31, 1946	536·0	686·3	22·6	1,244·9
Dec. 31, 1947	286·6	171·8	43·3	501·7
Dec. 31, 1948	401·3	574·5	22·0	997·8
Dec. 31, 1949	486·4	594·1	36·6[1]	1,117·1
Dec. 31, 1950	580·0	1,144·9	16·6	1,741·5
Dec. 31, 1951	841·7	899·5	37·4	1,778·6
Dec. 31, 1952	885·0	961·8	13·4	1,860·2

[1] Not including $18·2 million in United States dollars borrowed by the Government of Canada in August, 1949, and set aside for the retirement on February 1, 1950, of a security issue guaranteed by it and payable at the holder's option in United States dollars.

EMPLOYMENT AND EARNINGS

Canadian labour income is estimated at $10·9 billion for 1952, an increase of 12 per cent over 1951. Although this rise in money income was considerably smaller than the 17 per cent increase in 1951, it was a more significant gain in terms of purchasing power. This is apparent from the fact that the consumer price index rose by 10·5 per cent from 1950 to 1951 but by only 2·5 per cent from 1951 to 1952.

The gain in labour income was common to all the broad industrial categories. Manufacturing, where about one-third of total labour income originates, showed a gain of slightly more than 10 per cent on the basis of ten months' information. An increase of similar amount occurred in the next most important group, which includes public utilities, transportation, communication, storage and trade. The increase in the service industries was somewhat larger. The primary industries, on the other hand, recorded an increase of a little less than 10 per cent. By far the largest gain occurred in the construction industry which showed an increase of 24 per cent.

To some extent the 12 per cent rise in total labour income during 1952 was due to the expansion in employment. On a per capita basis the gains over 1951 have therefore been somewhat less. The annual average earned income per paid worker rose by $200 from $2,600 in 1951 to $2,800 in 1952. This increase of almost 8 per cent was possible because higher rates of pay more than offset the slight decline in the number of hours worked per week. In manufacturing, for example, the drop in hours worked per week was from 41·8 hours in 1951 to 41·4 hours in 1952. Hourly earnings in manufacturing were $1.32 at the end of 1952 compared with $1.24 a year earlier. Average weekly earnings in nine leading non-agricultural industries were $54.13 in 1952, an increase of $4.52 over 1951.

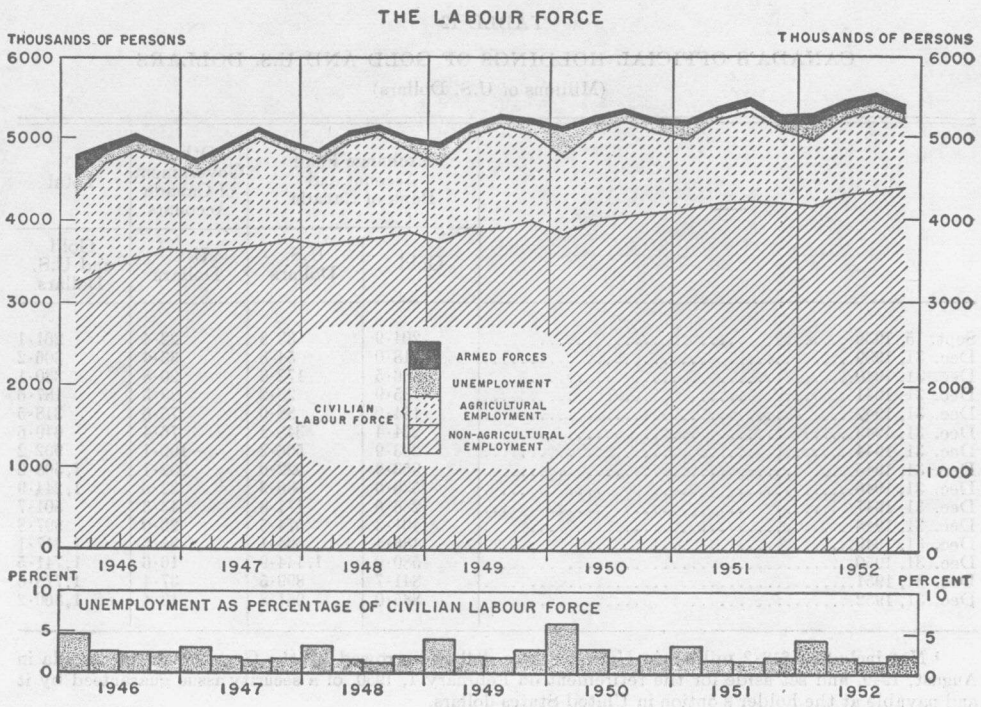


TABLE 13

THE CIVILIAN LABOUR FORCE

ANNUAL AVERAGES

(Thousands of Persons)

—	1949[1]	1950	1951	1952
Civilian Labour Force	5,036	5,157	5,231	5,304
Male	3,959	4,053	4,093	4,134
Female	1,077	1,104	1,138	1,170
Non-Agricultural	3,957	4,134	4,284	4,412
Agricultural	1,079	1,023	947	892
Persons without jobs and seeking work	131	169	108	130
Persons with jobs	4,905	4,988	5,123	5,174
In Non-Agricultural Industries	3,831	3,970	4,180	4,286
Paid Workers	3,294	3,422	3,645	3,765
Employers, own account workers and unpaid family workers	537	548	535	521
In Agriculture	1,074	1,018	943	888

[1] Excludes Newfoundland.

The average civilian labour force, which includes both the employed and the unemployed, grew during 1952 to a total of 5,304,000 persons, an increase of 73,000 or 1·4 per cent over 1951. The average number of persons employed during the year was 5,174,000 or 51,000 more than in 1951. The number of persons with jobs in agriculture declined by 55,000. There was an increase of 106,000 in the number of persons employed in the non-agricultural occupations.

Compared with the previous year, there was a decline of 69,000 in the number of people on short-time work. This drop was particularly noticeable during the latter part of 1952 and indicates an improvement in employment conditions.

Persons without jobs and seeking work averaged 130,000 during 1952 or 2·5 per cent of the labour force, compared with 108,000 or 2·1 per cent in 1951. However these figures are not a complete indication of the difference in employment conditions in the two years. In the first place, the comparison of annual averages hides the improvement in the employment situation during the second half of 1952. In the second place, the total of those without jobs and seeking work is only one indicator of employment conditions. As noted above, there was, particularly in the latter part of 1952, a significant reduction in the number of persons working part time.

During 1952, 53·4 per cent of the non-institutional civilian population over 14 years of age were in the civilian labour force compared with 53·7 per cent in 1951. In addition to the civilian labour force, there were 101,000 in the armed forces at the end of 1952 compared with 88,000 at the end of 1951.

PRICE TRENDS

The period of rapidly rising prices which followed the outbreak of war in Korea carried prices to new peaks. In the case of the wholesale price index the peak was reached in July, 1951 after a rise of 16·5 per cent from June, 1950. Consumer prices were slower to reflect the renewal of inflationary pressure but continued their advance until January, 1952, at which point they were 16 per cent above the June 1950 level. The price declines of 1952 carried the indexes back some distance from their previous high points. The drop in the wholesale price index during 1952 amounted to 6·6 per cent and in the consumer price index to 2 per cent. But all price movements were not consistent with the downward trend in the indexes nor were all groups affected in the same degree. Most noteworthy were the declines in the prices of certain foods and primary products which had risen sharply in the previous advance. At the same time the rise in the value of the Canadian dollar substantially reduced the cost of imports and thus affected a large part of our price structure. But the prices of services and of many goods in which the domestic labour content is high, tended to advance moderately under the pressure of rising wage costs and real incomes.

The index of wholesale prices fell off by 6·6 per cent during the course of the year and for the year as a whole averaged 5·8 per cent lower than in 1951. The more rapid decline occurred during the first five months of the year and amounted to more than 5 per cent. A slight upturn in June and July was again followed by steady month-to-month decreases for the balance of the year, though at a slower rate than for the early months. The decline of the index from 243·7 in July, 1951 to 221·2 in December, 1952, amounted to 9·2 per cent and brought wholesale prices back to a level lower than that which prevailed in the month of September, 1950.

The index of industrial materials fell more rapidly than any other major price component in the wholesale index.

CANADIAN WHOLESALE PRICES AND COST OF LIVING INDEXES

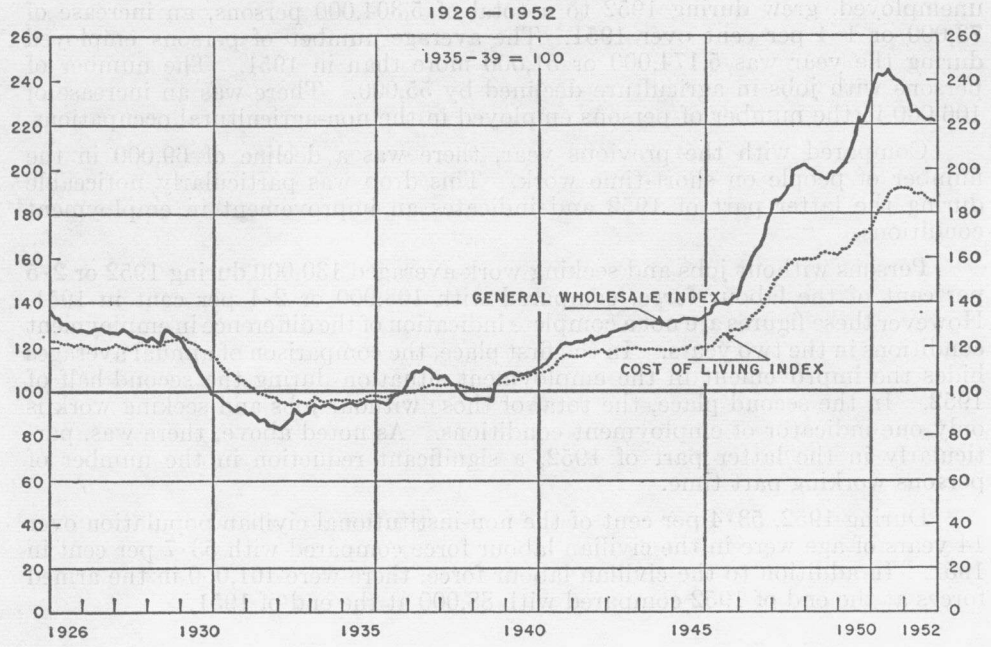


TABLE 14

WHOLESALE PRICE INDEXES

(1935–39=100)

—	Total	Canadian Farm Products	Fully and Chiefly Manufactured Goods
1939	99·2	92·6	101·9
1940	108·0	96·1	109·9
1941	116·4	106·6	118·8
1942	123·0	127·1	123·7
1943	127·9	145·4	126·9
1944	130·6	155·3	129·1
1945	132·1	166·4	129·8
1946	138·9	179·5	138·0
1947	163·3	192·2	162·4
1948	193·4	232·1	192·4
1949	198·3	228·7	199·2
1950	211·2	236·7	211·0
1951	240·2	268·6	242·4
1952	226·2	244·4	230·9
1952—January	236·8	271·5	239·7
February	232·6	259·6	236·2
March	230·8	256·7	234·6
April	226·9	253·8	230·7
May	224·8	252·7	228·1
June	226·5	257·9	230·6
July	225·5	252·8	230·0
August	223·9	236·2	228·8
September	222·1	225·5	228·0
October	221·0	221·3	227·7
November	221·9	222·9	228·8
December	221·2	222·3	228·1

NOTE:—1952 indexes are preliminary.

The decline for the year was almost as great as the decline in the index of farm prices. Fully and chiefly manufactured goods followed a moderate downward trend over the twelve-month period with prices at December, 1952 about 5 per cent below the level at the beginning of the year. The comparative price stability of general building materials is an example of resistance to the general trend. This index moved during the course of the year within a narrow range set by a high of 289·6 in February and a low of 286·2 in April.

The commentary on consumer prices is in terms of the new consumer price index (basis 1949=100) because it is a more complete and up-to-date index of movements in consumer prices than the cost-of-living index which it will soon replace. However, the charts use the old cost-of-living index because its base period (1935-39=100) corresponds to the base periods of the indexes with which it is compared.

Unlike the wholesale price index, the consumer price index did not average less in 1952 than in 1951, although the trend was downward in the early part of the year. At the year-end the index was 0·6 per cent below the average for the year as a whole and 2 per cent below the level at the beginning of the year. This was the first time since 1944 that the index had ended the year lower than it had begun. But as indicated above this movement in the total index must be viewed in the light of the exceptional advance of the previous year and the influence of lower import prices.

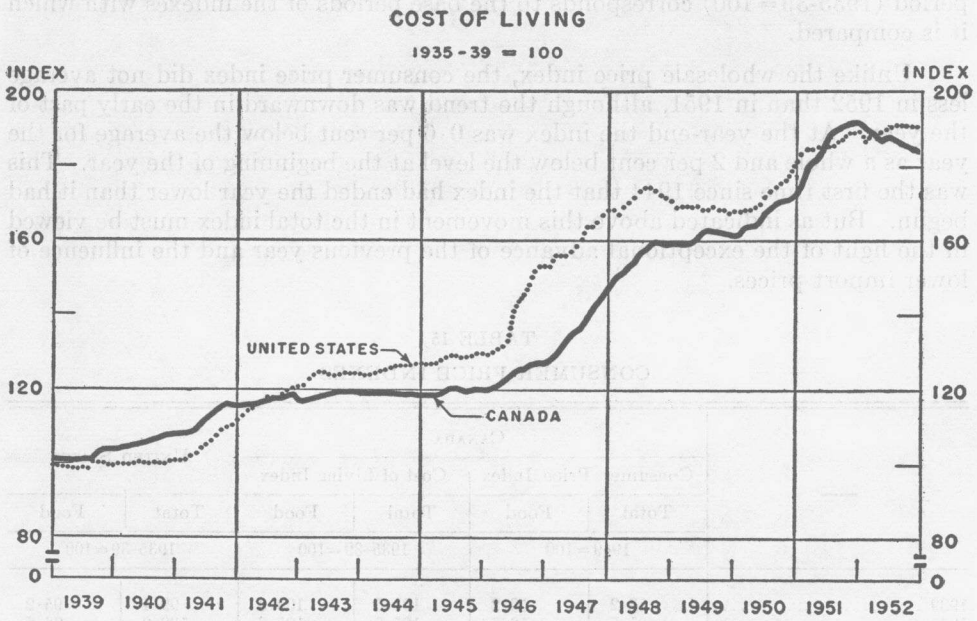
TABLE 15

CONSUMER PRICE INDEXES

	Canada				United States	
	Consumer Price Index		Cost of Living Index			
	Total	Food	Total	Food	Total	Food
	1949=100		1935–39=100		1935–39=100	
1939	63·2	50·2	101·5	100·6	99·4	95·2
1940	65·7	52·6	105·6	105·6	100·2	96·6
1941	69·6	57·9	111·7	116·1	105·2	105·5
1942	72·9	63·4	117·0	127·2	116·6	123·9
1943	74·2	65·2	118·4	130·7	123·7	138·0
1944	74·6	65·5	118·9	131·3	125·7	136·1
1945	75·0	66·3	119·5	133·0	128·6	139·1
1946	77·5	70·0	123·6	140·4	139·5	159·6
1947	84·8	79·5	135·5	159·5	159·6	193·8
1948	97·0	97·5	155·0	195·5	171·9	210·2
1949	100·0	100·0	160·8	203·0	170·2	201·9
1950	102·9	102·6	166·5	210·9	171·9[1]	204·5[1]
1951	113·7	117·0	184·5	241·1	185·6	227·4
1952	116·5	116·8	187·5	237·4	189·8	231·5
1952—January	118·2	122·4	191·5	250·0	189·1	232·4
February	117·6	120·8	190·8	248·1	187·9	227·5
March	116·9	117·6	189·1	241·7	188·0	227·6
April	116·8	117·2	188·7	240·2	188·7	230·0
May	115·9	115·5	186·7	235·3	189·0	230·8
June	116·0	115·7	187·3	237·0	189·6	231·5
July	116·1	116·0	188·0	239·5	190·8	234·9
August	116·0	115·7	187·6	238·0	191·1	235·5
September	116·1	115·8	186·5	234·2	190·8	233·2
October	116·0	115·1	185·0	229·3	190·9	232·4
November	116·1	115·7	184·8	229·0	191·1	232·3
December	115·8	114·1	184·2	226·1	190·7	229·9

[1] Adjusted series United States Consumers' Price Index from January, 1950, forward.

The greatest reduction in the consumer price index for 1952 occurred in the food group. The index of food prices fell by almost 7 per cent during the year, the drop in meat prices being particularly noticeable. This downward adjustment in food prices has been almost continuous since the peak was reached in November, 1951 but the major decline took place in the first half of 1952. The food group was the only group in which prices averaged less for 1952 than for 1951. There was no comparable drop in United States' food prices during 1952; but the percentage rise during 1951 had been little more than one-third as great as in Canada. Prices for clothing also followed a downward trend during 1952. The largest upward movement took place in rents, while the cost of household operation remained practically unchanged. In general, the price of services was higher while the price of goods was lower.



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REVIEW OF GOVERNMENT ACCOUNTS 1952-53

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PART II

REVIEW OF GOVERNMENT ACCOUNTS 1952-53

1. INTRODUCTION

Because of the early date at which the budget is being brought down, the figures which are presented in this Part for the fiscal year ending March 31, 1953, must be regarded as preliminary and subject to revision. Moreover, while the government's fiscal year ends on March 31, the books must remain open for several weeks after that date in order to record various adjusting entries and to take into account all payments up to and including April 30 made on account of expenditures originating in, and properly chargeable to, the fiscal year 1952-53.

Final figures for each year's operations are not available before some time in August. Normally the Budget White Paper figures are based upon eleven months actual and one month estimated. This year the figures are based on nine months actual and three months estimated. It may well be that the final figures when they become available next August will show somewhat greater variations than usual from those given in the following pages.

2. HIGHLIGHTS OF GOVERNMENTAL FINANCIAL OPERATIONS DURING 1952-53

The revenues of the Government for the fiscal year ending March 31, 1953, are now estimated at $4,375 million. This is approximately $96 million or just over 2 per cent more than the amount of $4,279 million forecast last year at the time of the budget and about $394 million or nearly 10 per cent more than the total collected in the preceding year. Expenditures are estimated at $4,327 million. On the basis of these figures the indicated surplus is $48 million, compared with $248 million for the fiscal year ended March 31, 1952. The fiscal year 1952-53 is therefore the seventh consecutive year in which the financial operations of the Government will result in a budgetary surplus. As a result, the Government's net debt (the excess of total liabilities over total active assets) will be reduced by an equivalent amount, bringing to a total of $2,284 million the amount by which the Government will have reduced its net debt during those seven years. This represents a reduction of more than one-fifth of the total increase in net debt during the entire period of the war and is approximately equivalent to the amount by which the net debt increased during the first three and one-half years after the outbreak of war in 1939.

Although the budgetary surplus for 1952-53 is estimated at $48 million, the Government made loans, advances and other non-budgetary disbursements of about $627 million, while, at the same time, the unmatured funded debt in the hands of the public increased by only $141 million. The manner in which this has been achieved can be understood more readily by taking an over-all view of the Government's cash transactions for the fiscal year.

As explained in greater detail in the section on "The Cash Position", the estimated budgetary surplus of $48 million for the fiscal year does not reflect the full impact of Government operations upon the Canadian economy. Substantial amounts are received and paid out for extra-budgetary purposes (such

as the loans and advances which the Government is required to make and the transactions in connection with the many superannuation, insurance, pension, annuity and deposit and trust accounts which it has undertaken to hold or administer).

These non-budgetary disbursements are estimated at $627 million and include $125 million to the C.N.R. for capital expenditures on additions and betterments and the acquisition of new rolling stock and equipment, $76 million advanced to the Central Mortgage and Housing Corporation for house construction and for housing loans, $67 million to the Agricultural Prices Support Account, $50 million to the Exchange Fund to finance the increase in our foreign exchange reserves, some $34 million advanced to the Defence Production Revolving Fund to acquire materials essential to Canada's defence programme, about $100 million to finance pension payments out of the Old Age Security Fund which were not covered by old age security tax receipts, $31 million representing the decrease in the Provincial 5 per cent corporation income tax suspense account, and $109 million reflecting a decrease in outstanding cheques and interest and accounts payable. Offsetting these are non-budgetary receipts and credits amounting to $449 million, including $171 million from net annuity, pension and other liability account receipts, $64 million for repayments of sundry loans and investments, the increase of $75 million in the reserve for possible losses on the ultimate realization of active assets and sundry other items amounting in the aggregate to $139 million.

After taking into account the budgetary surplus of $48 million and the net requirements of $178 million for these non-budgetary transactions it is now estimated the amount that had to be financed by net new borrowing will amount to approximately $130 million. As unmatured funded debt in the hands of the public is expected to increase by approximately $141 million during the year, the Government's cash balances will increase by $11 million.

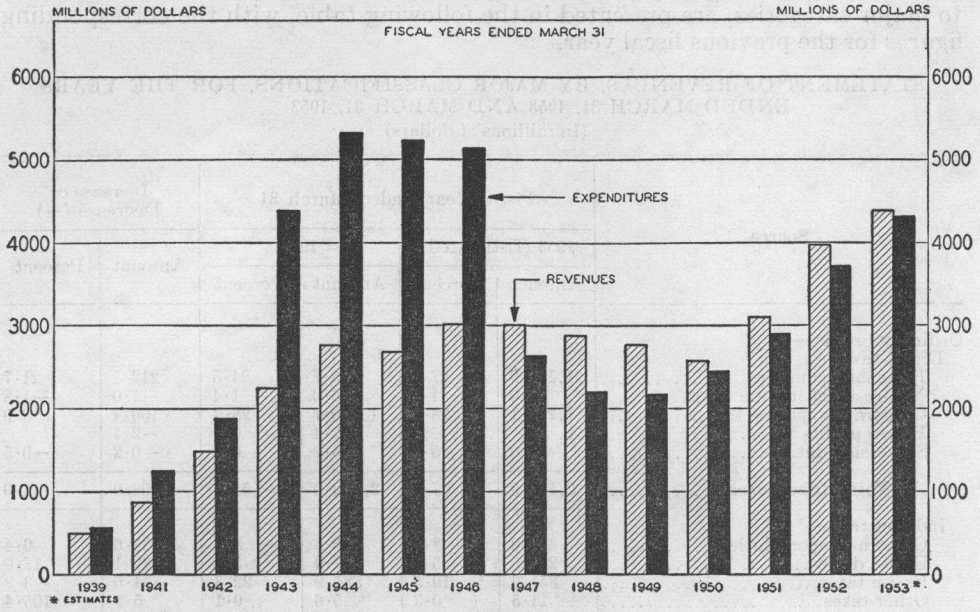
3. THE BUDGETARY ACCOUNTS

The table which follows gives a summarized statement of estimated revenues and expenditures and surplus for the fiscal year ended March 31, 1953, with the comparable figures for the four preceding fiscal years:

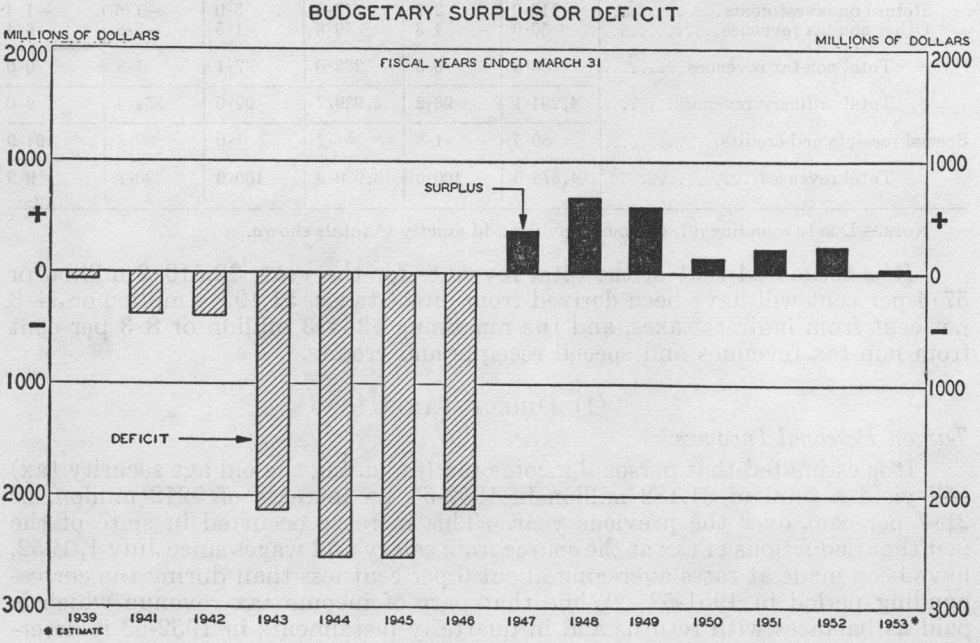
—	Fiscal Years Ended March 31				
	1949	1950	1951	1952	1953 (Estimated)
	(In millions of dollars)				
Revenues	2,771·4	2,580·1	3,112·5	3,980·9	4,374·6
Expenditures	2,175·9	2,448·6	2,901·2	3,732·9	4,326·8
Surplus	595·5	131·5	211·3	248·0	47·8

Total revenues, estimated at $4,374·6 million for 1952-53, are expected to show an increase of $393·7 million over the total for the previous fiscal year. Total expenditures are estimated at $4,326·8 million or $593·9 million more than the corresponding total for 1951-52.

BUDGETARY REVENUES AND EXPENDITURES



BUDGETARY SURPLUS OR DEFICIT



A. Analysis of Revenues

Estimated budgetary revenues for the year 1952-53, classified according to major categories, are presented in the following table, with the corresponding figures for the previous fiscal year.

STATEMENT OF REVENUES, BY MAJOR CLASSIFICATIONS, FOR THE YEARS ENDED MARCH 31, 1953 AND MARCH 31, 1952
(In millions of dollars)

Source	Fiscal Year Ended March 31				Increase or Decrease (−)	
	1953 (Estimated)		1952		Amount	Percent
	Amount	Percent	Amount	Percent		
Ordinary revenues—						
Direct taxes—						
Personal income tax	1,187·8	27·2	975·7	24·5	212·1	21·7
Non-resident income taxes	54·0	1·2	55·0	1·4	−1·0	−1·8
Corporation income tax	1,231·1	28·1	1,130·7	28·4	100·4	8·9
Excess profits tax	.....	.....	2·4	0·1	−2·4	
Successor duties	38·0	0·9	38·2	0·9	−0·2	−0·5
Total direct taxes	2,510·9	57·4	2,202·0	55·3	308·9	14·0
Indirect taxes—						
Customs import duties	379·0	8·7	346·4	8·7	32·6	9·4
Excise duties	257·0	5·9	217·9	5·5	39·1	17·9
Excise taxes	851·9	19·5	885·9	22·3	−34·0	−3·8
Other taxes	11·5	0·3	5·6	0·1	5·9	105·4
Total indirect taxes	1,499·4	34·3	1,455·8	36·6	43·6	3·0
Total tax revenues	4,010·3	91·7	3,657·8	91·9	352·5	9·6
Non-tax revenues—						
Post Office	111·8	2·5	104·6	2·6	7·2	6·9
Return on investments	116·0	2·7	117·6	3·0	−1·6	−1·4
Other non-tax revenues	56·0	1·3	59·8	1·5	−3·8	−6·4
Total non-tax revenues	283·8	6·5	282·0	7·1	1·8	0·6
Total ordinary revenues	4,294·1	98·2	3,939·7	99·0	354·4	9·0
Special receipts and credits	80·5	1·8	41·2	1·0	39·3	94·9
Total revenues	4,374·6	100·0	3,980·9	100·0	393·7	9·9

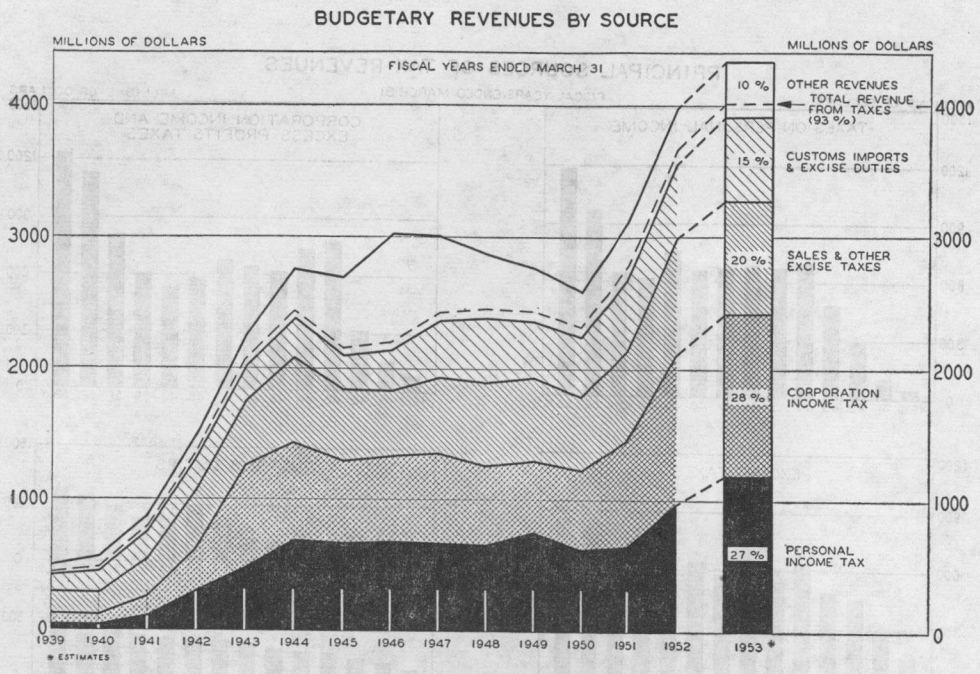
Note.—Due to rounding off, columns may not add exactly to totals shown.

It is estimated that of the total revenues for the year, $2,510·9 million or 57·4 per cent will have been derived from direct taxes, $1,499·4 million or 34·3 per cent from indirect taxes, and the remaining $364·3 million or 8·3 per cent from non-tax revenues and special receipts and credits.

(1) Direct Taxes

Tax on Personal Incomes

It is estimated that personal income tax (excluding the old age security tax) will yield a total of $1,188 million in 1952-53, an increase of $212 million, or 21·7 per cent over the previous year. This increase occurred in spite of the fact that deductions of tax at the source from salary and wages since July 1, 1952, have been made at rates averaging about 6 per cent less than during the corresponding period in 1951-52. While that part of income tax revenue which is paid as balances with returns and in quarterly instalments in 1952-53 is determined by somewhat higher rates than in the previous fiscal year, the greater part of the increase in revenue is attributable to a substantial increase in personal incomes during the year.



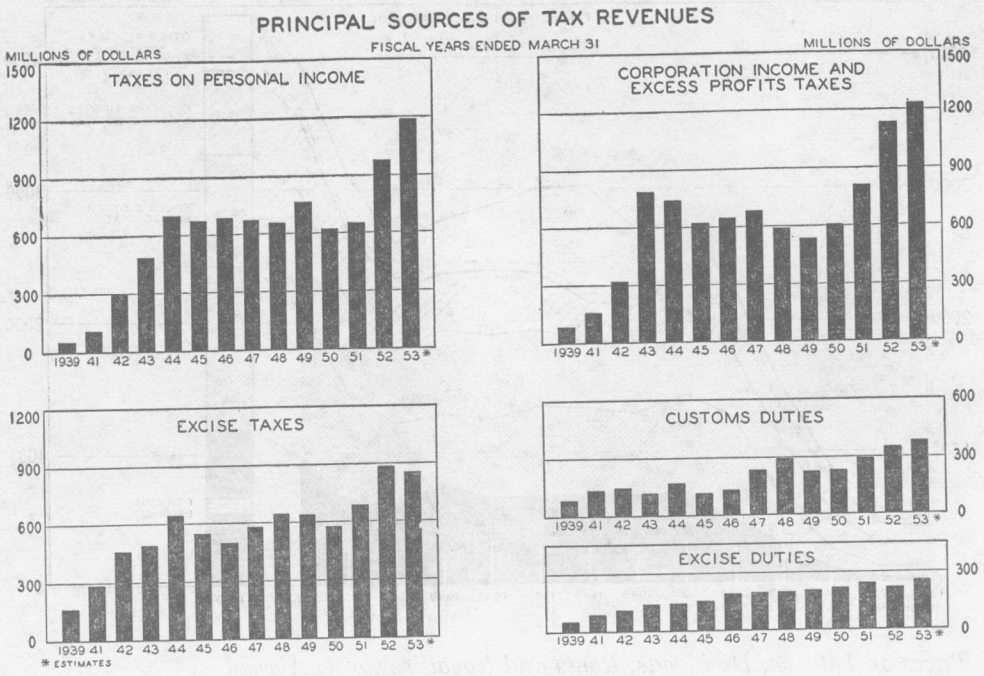
Taxes on Interest, Dividends, Rents and Royalties Going Abroad

Revenues under this heading are derived from withholding taxes on payments of interest, dividends, rents and royalties made to non-residents. The estimated total of $54 million is $1 million less than in the previous year.

Corporation Income Tax

Collections from this tax (excluding the old age security tax) are expected to amount to approximately $1,231 million, an increase of 9 per cent over the previous year's total of $1,130·7 million. This increase, which occurred despite the fact that corporation profits for 1952 were lower than in 1951, is due to the changes in the federal rates of tax announced in the 1952 Budget and to the fact that the Province of Ontario entered into a tax rental agreement withdrawing from the corporation tax field as from January 1, 1952. The 5 per cent corporation income tax levied by all provinces except Ontario and Quebec under provisions of the tax rental agreements signed in 1947 was not levied by the provinces on profits earned after December 31, 1951. The 1952 Budget announced that this tax would be incorporated into the federal rates of tax commencing January 1, 1952, increasing the federal rates for 1952 from 15 per cent on the first $10,000 of profits and 45·6 per cent on profits in excess of $10,000, to rates of 20 per cent and 50 per cent respectively. In those provinces which did not enter into a tax agreement, corporations were allowed to take a credit against their federal tax equal to 5 per cent of their profits attributable to operations therein. This reduced the effective federal rate on profits earned in Quebec to 15 per cent on the first $10,000 and 45 per cent on profits in excess of $10,000. As a result of the Province of Ontario entering into a tax agreement, corporations paid federal tax at the full rates of 20 per cent and 50 per cent on their 1952 profits earned in that Province.

The total revenue from corporation income tax includes $8 million paid by corporations paying the 15 per cent tax on their undistributed income. This is $6 million less than that collected from this source in 1951-52.



Succession Duties

Revenue from succession duties is estimated at $38 million for 1952-53, as compared with $38·2 million in the previous year.

(2) Indirect Taxes

Customs Import Duties

Net revenue from customs import duties for the year is estimated at $379 million, an increase of $32·6 million over the total for 1951-52. The total value of imports is not expected to show much change from the previous year, but there appears to have been some reduction in the proportionate value of non-dutiable and low duty goods imported as compared with the quantities and prices of goods subject to higher rates of duty.

Excise Duties

Excise duties are levied exclusively on alcoholic beverages and tobacco products. (Additional taxes are levied on tobacco products under the Excise Tax Act). The revenue from these taxes for the year is estimated at $257 million, an increase of $39·1 million over the previous year's total of $217·9 million. This increase is mainly due to increased sales of cigarettes and beer. Gross receipts from excise duties, before deducting refunds, are divided as follows: $136 million from alcoholic beverages ($120·9 million in 1951-52), and $124 million from tobacco products ($100·7 million in 1951-52).

Excise Taxes

Net excise tax collections (excluding the 2 per cent old age security sales tax) are estimated at $852 million in 1952-53, a decrease of $34 million from the previous year.

The principal tax levied under the Excise Tax Act from the standpoint of revenue is the sales tax. The gross revenue from sales tax is estimated at $584 million, a decrease of $3·2 million from the previous year. The decrease is due to the fact that in 1952-53 the sales tax rate levied under the Excise Tax Act is 8 per cent, whereas in 1951-52 the rate was 10 per cent for the first nine months of the fiscal year and 8 per cent after January 1, 1952, when the 2 per cent sales tax provided by the Old Age Security Act came into effect. (The 2 per cent old age security sales tax is expected to yield $142 million as compared with $24·3 million in 1951-52).

It is estimated that excise taxes other than sales tax will yield approximately $284 million, as compared with $312 million in 1951-52. The decrease in revenue from these taxes is due to the tax reductions introduced in April, 1952. At that time items which had been taxed at 25 per cent became taxable at 15 per cent, the 15 per cent tax on stoves, washing machines, and refrigerators, was repealed, the 30 per cent tax on soft drinks was reduced to 15 per cent, and the tax on cigarettes was reduced $1.50 per thousand.

Next to the sales tax the largest revenue source among the excise taxes is the tax on tobacco products which will yield an estimated $107·5 million, an increase of $1·2 million over the previous year. The most important item in this group is the revenue from the tax on cigarettes which is expected to be only about $5 million less than in the previous year despite the reduction in the rate of tax introduced in April, 1952. The revenue from the tax on manufactured tobacco will show a sharp increase for the year.

Most of the other excise taxes will show a decrease in revenue in 1952-53 due to the lower rates in effect for the year. The largest decrease will be in the revenue from the tax on automobiles, tires and tubes, which will yield an estimated $87 million, $13·9 million less than in 1951-52. The tax on soft drinks which was reduced from 30 per cent to 15 per cent, will yield an estimated $13 million as compared with $19·2 million in 1951-52.

Other Indirect Taxes

The taxes under this heading are the tax on premium income of insurance companies, the tax on the export of electrical energy from Canada, and the tax on the export of furs from the Northwest Territories. These taxes will yield an estimated total of $11·5 million, an increase of $5·9 million over 1951-52. The tax on premium income of insurance companies will yield an estimated $10·7 million as compared with $4·8 million in 1951-52. This increase was brought about by the Province of Ontario's repeal of a similar tax which had been deductible from the federal tax.

(3) Non-Tax Revenues

The total of non-tax revenues for 1952-53 is estimated at $283·8 million compared with $281·9 million for 1951-52. The following table presents a comparative summary of revenues under this heading for the past two years:

NON-TAX REVENUES FOR THE FISCAL YEARS ENDED MARCH 31, 1953 AND MARCH 31, 1952

—	Fiscal year ended March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Post Office	111·7	104·6	7·1
Return on investments	116·0	117·6	—1·6
Premium, discount and exchange	6·8	17·7	—10·9
Bullion and coinage	4·2	4·8	—0·6
Privileges, licences and permits	12·0	10·4	1·6
Proceeds from sales	5·0	4·5	0·5
Services and service fees	19·0	16·0	3·0
Refunds of previous years' expenditures	7·0	4·2	2·8
Miscellaneous	2·0	2·1	—0·1
Total non-tax revenue	283·8	281·9	1·9

Gross Post Office receipts for 1952-53 are expected to amount to $129·5 million. After making authorized disbursements from revenue of $17·8 million for salaries and rent allowances at semi-staff and revenue offices, commissions at sub-offices, transit charges on Canadian mail forwarded through or delivered in foreign countries, etc., net Post Office receipts credited to budgetary revenues are estimated at $111·7 million. The increase of $7·1 million over the corresponding amount received in 1951-52, is due primarily to the fact that the new postal rates were in effect for nine months in 1951-52 and for twelve months in 1952-53. As costs of operating the Post Office during 1952-53 (excluding the $17·8 million charged to revenue) are expected to total $106·2 million, net revenue will exceed net costs by approximately $5·5 million. However, in making this comparison it is to be noted that the total shown for Post Office revenues does not reflect the value of services rendered free of charge to other departments, nor does the total shown for operating expenses reflect any charges for premises occupied by the Post Office Department or for certain accounting and miscellaneous services provided by other departments.

Return on investments is expected to yield $116 million, a decrease of $1·6 million, compared with the total of $117·6 million received in 1951-52. Due to the conversion of fifty per cent of the C.N.R.'s total fixed interest bearing debt into 4 per cent preferred stock under the provisions of the Canadian National Railways Capital Revision Act, 1952, interest on loans received from this Company decreased by $21·1 million. This decrease, however, is offset by increases in the profits of the Bank of Canada and the Exchange Fund during 1952 estimated at $4·7 million and $2·2 million respectively and by an amount of $9·7 million received from Polymer Corporation Limited representing dividends and interest on debentures.

A comparative summary of estimated receipts during 1952-53 with actual receipts during 1951-52 under this heading is given in the following table:

RETURN ON INVESTMENTS FOR THE FISCAL YEARS ENDED MARCH 31, 1953 AND MARCH 31, 1952

—	Fiscal year ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Loans to, and investments in, Crown agencies—			
Bank of Canada	28·9	24·2	4·7
Exchange Fund Account	14·8	12·6	2·2
Canadian National Railways	2·3	23·4	−21·1
Central Mortgage and Housing Corporation	9·2	7·2	2·0
National Harbours Board	4·7	4·5	0·2
Polymer Corporation Limited	9·7	.....	9·7
Other Crown agencies	1·6	1·3	0·3
	71·2	*73·2*	*−2·0*
Other loans and investments—			
United Kingdom	23·4	23·7	−0·3
Other National Governments	12·6	13·3	−0·7
Provincial and Municipal Governments	1·2	1·2	
Soldier and General Land Settlement Loans and Veterans' Land Act Advances	4·8	4·4	0·4
Securities Investment Account	1·5	0·7	0·8
Other loans and investments	1·3	1·1	0·2
	44·8	*44·4*	*0·4*
	116·0	117·6	−1·6

The amount credited to premium, discount and exchange in 1952-53 is estimated at $6·8 million compared with a credit of $17·7 million in 1951–52. This revenue item is due mainly to book-keeping adjustments in asset and liability accounts reflecting a reduction in U.S. dollar and sterling exchange rates from those operative in the fiscal year 1951-52. It is estimated that the Canadian dollar equivalent of outstanding debt payable in sterling and in United States dollars will be reduced in consequence of this revaluation by $6·8 million offset by $0·8 million reduction in assets payable in these currencies. The result is a net credit in the premium, discount and exchange account of $6 million. Net differences in rates on current gold and foreign exchange transactions are expected to account for a further credit of $0·8 million resulting in a net revenue item of $6·8 million.

(4) Special Receipts and Credits

Special receipts and credits are estimated at $80·3 million for the fiscal year 1952-53 as compared with total receipts of $41·2 million in the previous year. The following table presents a comparative summary of the sources of special receipts and other credits for the last two years:

SPECIAL RECEIPTS AND OTHER CREDITS FOR THE FISCAL YEARS ENDED MARCH 31, 1953, AND MARCH 31, 1952

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Sale of surplus Crown assets	7·8	14·7	−6·9
Central Mortgage and Housing Corporation—			
Surplus paid to Receiver General	2·0	3·1	−1·1
Proceeds from the sale of wartime housing properties	5·5	9·9	−4·4
Depreciation reserve on wartime housing properties sold by the Corporation	1·1	.....	1·1
Transfer from suspense account of surpluses received from the Canadian Wheat Board in connection with operations conducted under P.C. 1292 of April 3, 1947, with respect to oats and barley	6·3	.....	6·3
Surplus—Canadian Arsenals Ltd	5·0	1·2	3·8
Write-up from previous years' expenditure to Loans and Investments—Atomic Energy of Canada, Ltd.—issue of capital stock	4·8	.....	4·8
Refundable portion of income tax and excess profits tax—transfer to revenue of excess reserves set up in previous years	.....	7·3	−7·3
Transfer to revenue of portion of the balance of provincial 5% corporation income tax suspense account pursuant to the 1952 tax rental agreements	45·0	.....	45·0
Military relief and currency credits arising from war settlements	.....	2·6	−2·6
Sundry other special receipts and credits	3·0	2·4	0·6
	80·5	41·2	39·3

The amount of $7·8 million realized from the disposal of surplus Crown assets represents the estimated receipts during the fiscal year from Crown Assets Disposal Corporation after allowing for transfers to active assets of amounts applicable to "Balances receivable under agreements of sale of Crown assets". It does not include the residual cash balances nor the value of accounts receivable carried by the Corporation as at March 31, 1953.

It is estimated that $8·6 million will be received from Central Mortgage and Housing Corporation of which $2 million represents surplus funds in excess of the $5 million reserve established by the Corporation, $5·5 million the proceeds of the sale of Wartime Housing properties, and $1·1 million a depreciation reserve built up in previous years on properties that have now been sold by the Corporation. This is in addition to the $9·2 million interest on loans to the Corporation credited to "Return on Investments."

The amount of $45 million represents the transfer to revenue of approximately one-half of the balance of provincial 5 per cent corporation income tax suspense account. For a fuller explanation see sundry suspense (liability) accounts in the section on "Estimated Balance Sheet Position at March 31, 1953".

The other principal items are the transfer to revenue of certain surpluses received in 1948 from The Canadian Wheat Board with respect to oats and barley accounts which had been held in suspense; the estimated surplus of Canadian Arsenals Limited for the year ended March 31, 1952; and a credit consequent upon the issue of 4,800 shares of common stock to the Government

of Canada by Atomic Energy of Canada, Limited in exchange for assets comprising the Atomic Energy Project at Chalk River, Ontario, which were transferred to the Company as at April 1, 1952. This transaction represents a write-up of previous years' expenditures and consequently appears in the Government's assets under Loans and Investments in Crown Agencies.

(5) Comparison of Actual Revenue with Budget Forecast

Total budgetary revenues, excluding revenue from the old age security taxes, for 1952-53 as now estimated will be about $96 million more than the forecast made in the budget speech of April 8, 1952. This is a difference representing in terms of the total amounts involved an excess over the amount forecast of only slightly more than 2 per cent. It is expected that revenues from personal income tax, corporation income tax, non-resident income taxes, and succession duties, will be less than the amounts forecast, while revenues from customs import duties, excise duties, sales tax and excise taxes (other than sales tax), will be larger than expected. The following table shows in detail the extent to which it is expected that actual revenues will differ from the budget forecast.

COMPARISON OF BUDGET FORECAST WITH ACTUAL REVENUE
FOR 1952-53
(in millions of dollars)

Source of Revenue	Budget Forecast of Revenue	Actual Revenue (Estimated)	Increase or Decrease (−) Compared with Budget Forecast
	$	$	$
Personal income tax	1,200·0	1,187·7	−12·3
Non-resident income taxes	60·0	54·0	−6·0
Corporation income tax	1,270·0	1,231·1	−38·9
Succession duties	43·0	38·0	−5·0
Customs import duties	370·0	379·0	9·0
Excise duties	240·0	257·0	17·0
Sales tax (net)	539·0	568·0	29·0
Other excise taxes	252·0	284·0	32·0
Miscellaneous taxes	5·0	11·5	6·5
Total tax revenues	3,979·0	4,010·3	31·3
Non-tax revenues	275·0	283·8	8·8
Total ordinary revenues	4,254·0	4,294·1	40·1
Special receipts and credits	25·0	80·5	55·5
Total budgetary revenues	4,279·0	4,374·6	95·6

It is estimated that the revenue from personal income tax will be about 1 per cent less than the budget forecast. The short fall is due mainly to the fact that refunds of tax were larger than expected.

The budget forecast of corporation income tax revenue was based on the assumption that corporation profits in 1952 would equal those realized in 1951. However, on the basis of preliminary information, it would appear that 1952 profits did not reach the 1951 level. The adverse effect on corporation income tax revenue arising from the reduction of profits has been to some extent offset by the withdrawal of the Province of Ontario from the corporation tax field but the additional revenue arising from this development has not been sufficient

to entirely offset the shortfall caused by the reduction in corporation profits, and it is estimated that when the accounts for the year are closed receipts will have fallen short of expectations by about 3 per cent.

Revenue from succession duties will fall considerably short of the amount forecast. It is impossible to forecast revenue from this source with any high degree of accuracy.

Customs duty collections are expected to exceed the budget forecast by about $9 million or less than 3 per cent due mainly to the higher proportion of dutiable goods in total imports.

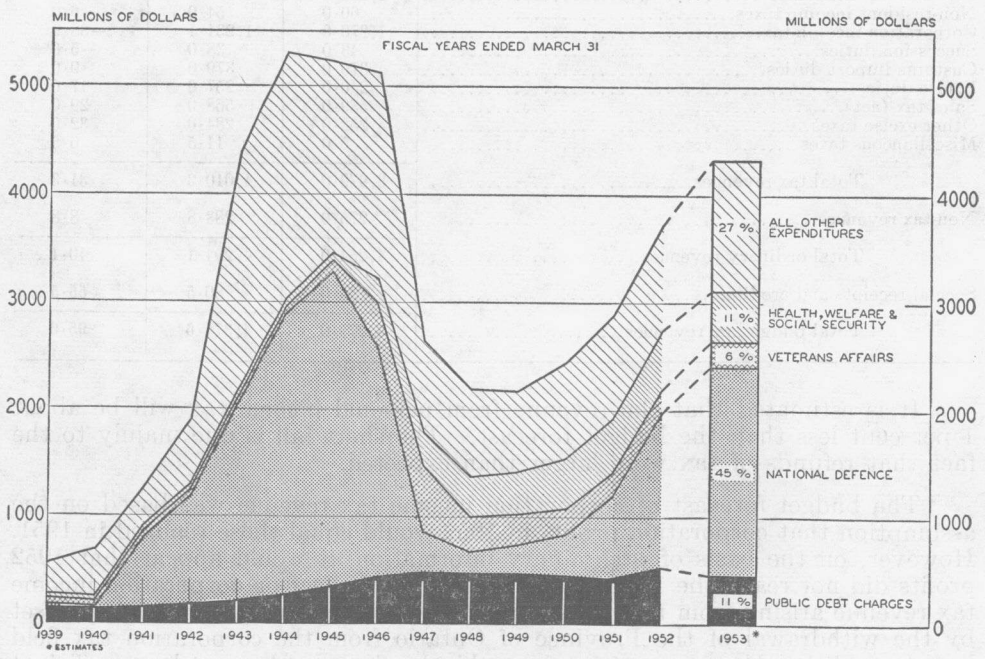
Revenue from excise duties in 1952-53 is expected to exceed the budget forecast by about 7 per cent mainly because the increase in the revenue from the excise duty on cigarettes has been greater than anticipated.

Revenue from the sales tax is expected to exceed the budget forecast by $29 million or 5 per cent, reflecting some acceleration in consumer spending, and a somewhat greater output of the country's industry than had been expected.

It is expected that revenue from excise taxes other than the sales tax will exceed the amount forecast by about $32 million because of the strong consumer demand for such durable and semi-durable goods as automobiles, furs, radios, and television sets. In addition, the increased consumption of cigarettes has come closer to offsetting the effects of the reduction in the rate of excise tax to a greater extent than had been expected.

The principal item among the miscellaneous taxes is the tax on the premium income of insurance companies. This tax is expected to yield about $6 million more than forecast because on signing the tax rental agreement with the Federal Government the Province of Ontario repealed a similar tax which had been deductible from the premium tax payable to the Federal Government.

BUDGETARY EXPENDITURES BY CLASSES



The excess of estimated non-tax revenue receipts over the budget forecast is due mainly to the amount of $6·8 million for premium, discount and exchange arising for the most part from a revaluation of the government's sterling and United States dollar assets and liabilities from exchange rates used in operations in the previous year. Post Office receipts and return on investments are each expected to be approximately $1 million lower than the forecast while estimated miscellaneous non-tax revenues, are some $4 million higher than forecast.

Special receipts and credits, always impossible to estimate with any high degree of accuracy, are expected to be $55 million higher than the arbitrary budget forecast of $25 million. The greater part of this excess arises because of the amount of $45 million transferred to revenue on account of collections of the Provincial 5% corporation income tax. At the time of the budget forecast it was expected that amounts held by the Federal Government from collections of this Provincial tax would be turned over to the Provinces but the new tax agreements signed during 1952-53 relieved the Federal Government from all further obligation to the Provinces in respect of these collections and these amounts, which under the former agreements would have served to reduce Federal expenditures for tax rental payments, will now come into the accounts as revenue.

B. Expenditures

The table which follows presents a comparative summary of estimated expenditures by departments and principal purposes for the fiscal year 1952-53, with actual expenditures for the preceding fiscal year.

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CLASSIFICATIONS FOR THE YEARS ENDED MARCH 31, 1953 AND MARCH 31, 1952

(In millions of dollars)

—	Fiscal Year Ended March 31				Increase or Decrease (−)	
	1953 (Estimated)		1952			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
National Defence	1,845·2	42·6	1,415·5	37·9	429·7	30·4
Defence Production	94·0	2·2	31·0	0·8	63·0	203·2
	1,939·2	*44·8*	*1,446·5*	*38·7*	*492·7*	*34·1*
Public Debt Charges—						
Interest on Public Debt	447·5	10·3	432·4	11·6	15·1	3·5
Additional amount required to place interest on public debt on accrual basis	.....	.....	87·5	2·3	−87·5	.....
Other Debt Charges	13·4	0·4	11·1	0·3	2·3	20·7
	460·9	*10·7*	*531·0*	*14·2*	*−70·1*	*−13·2*
Provincial Subsidies and Tax Rental Payments (including Transitional Grant to Newfoundland)	338·0	7·8	127·2	3·4	210·8	165·7
Government contributions to Superannuation Account	38·8	0·9	110·9	3·0	−72·1	−65·0
Provision for reserve for possible losses on ultimate realization of active assets	75·0	1·7	75·0	2·0	.....	.....
Family Allowances	334·1	7·7	320·5	8·6	13·6	4·2
Old Age Pensions and Pensions to Blind Persons	22·1	0·5	83·2	2·2	−61·1	−73·4
Deficit—Old Age Security Fund	.....	.....	49·7	1·3	−49·7	.....
Unemployment Insurance Act—						
Administration and Government Contribution	56·7	1·3	53·8	1·4	2·9	5·4
Agriculture	117·3	2·7	67·1	1·8	50·2	74·8
Citizenship and Immigration	23·7	0·6	23·2	0·6	0·5	2·2
External Affairs	39·1	0·9	37·6	1·0	1·5	4·0
Finance	30·8	0·7	29·5	0·8	1·3	4·4
Mines and Technical Surveys	29·7	0·7	27·8	0·8	1·9	6·8
National Health and Welfare	55·9	1·3	45·4	1·2	10·5	23·1
National Research Council and Atomic Energy Control Board	29·2	0·7	25·1	0·7	4·1	16·3
National Revenue	47·7	1·1	45·8	1·2	1·9	4·1
Post Office	106·2	2·5	98·0	2·6	8·2	8·4
Public Works	81·0	1·9	77·5	2·1	3·5	4·5
Resources and Development	35·6	0·8	31·8	0·9	3·8	11·9
Royal Canadian Mounted Police	32·1	0·7	27·3	0·7	4·8	17·6
Trade and Commerce	17·1	0·4	21·8	0·6	−4·7	−21·6
Transport	107·6	2·5	99·9	2·7	7·7	7·8
Veterans Affairs	242·5	5·7	216·0	5·8	26·5	12·3
Other Departments	66·5	1·5	61·3	1·7	5·2	8·5
GRAND TOTAL	4,326·8	100·0	3,732·9	100·0	593·9	15·9

National Defence and Defence Production

The magnitude of Canada's expenditures for defence is more completely seen when the expenditures of the Department of National Defence and the Department of Defence Production are considered together. Estimated expenditures of the Department of National Defence for the fiscal year 1952-53 are $1,845·2 million as compared with $1,415·5 million for 1951-52, an increase of $429·7 million, while the Department of Defence Production expenditures are estimated at $94 million, an increase of $63 million over the total of $31 million for the previous fiscal year. Consequently the combined expenditures of the two departments amounting to $1,939·2 million for the year under review are $492·7 million greater than the total of $1,446·5 million for 1951-52. Thus, defence expenditures constitute approximately 45% of all government expenditures in 1952-53 again making defence, by a considerable margin, the largest class of government expenditures.

The following table shows a comparative summary of expenditures for the two departments for the last two fiscal years:

DEFENCE EXPENDITURES FOR THE FISCAL YEARS ENDED MARCH 31, 1953 AND MARCH 31, 1952

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Department of National Defence—			
Army, Navy and Air Services	1,516·4	1,217·6	298·8
Defence Research and Development	41·7	35·4	6·3
Pensions—Defence Services Pension Act	5·2	5·1	0·1
Government contribution to Permanent Services Pension Account	30·0	30·7	−0·7
Mutual Aid to NATO Countries	234·7	126·4	108·3
Contribution towards military costs of NATO	16·9	.....	16·9
General	0·3	0·3	.....
	1,845·2	*1,415·5*	*429·7*
Department of Defence Production—			
Capital assistance	83·9	22·7	61·2
Administration and general	10·1	8·3	1·8
	94·0	*31·0*	*63·0*
Total National Defence and Defence Production	1,939·2	1,446·5	492·7

Expenditures for the army, navy and air services are estimated at $1,516·4 million for 1952-53 as compared with $1,217·6 million for 1951-52, an increase of $298·8 million. Expenditures for Defence Research and Development are expected to amount to $41·7 million for 1952-53, an increase of $6·3 million as compared with $35·4 million for the preceding year.

The Government's contribution to the Permanent Services Pension Account which is equivalent to one and two thirds times the contributions by permanent services personnel is estimated at $30 million for 1952-53, or $0·7 million less than the amount contributed in 1951-52. Approximately $26·9 million relates to current contributions and $3·1 million to contributions for arrears. In 1951-52 the corresponding amounts were $18·4 million and $12·3 million respectively.

Expenditures under the Mutual Aid programme which are authorized by section 3 of the Defence Appropriation Act, 1950 are expected to amount to $234·7 million in 1952-53. This represents an increase of $108·3 million over the 1951-52 total of $126·4 million. Under the provisions of this section of the Act, defence equipment and supplies are transferred from Canadian stocks to other parties to the North Atlantic Treaty. The value of the equipment and supplies transferred is charged to this appropriation on the basis of the estimated present value, and an equivalent amount is credited to a special Defence Equipment Replacement Account from which payment may be made when replacements are obtained. The estimated expenditure of $234·7 million in 1952–53 consists of approximately $58 million for equipment and supplies transferred from Canadian stocks to North Atlantic Treaty countries and $176·7 million for direct cash outlays for mutual aid by the Government of Canada, representing costs incurred in acquiring and supplying new military equipment to parties to the North Atlantic Treaty and in the training in Canada of air crews from allied countries. In 1951–52 stock transfers amounted to $74·9 million and direct aid to $51·5 million.

Contributions made by Canada towards the military costs of NATO are charged to the National Defence appropriations. These payments comprise Canada's share of the NATO military budgets and infrastructure costs as well as certain ex-infrastructure costs. The percentage share borne by the particular nations is as suggested by the North Atlantic Council subject to the agreement of the respective governments. The 1952–53 expenditures for this purpose are estimated at $16·9 million.

Expenditures for the Department of Defence Production are estimated at $94 million for 1952-53, an increase of $63 million over the total of $31 million for the previous year. Capital assistance to private contractors, Crown plants operated on a management fee basis, and Crown corporations undertaking contracts essential to the defence programme, is estimated at $83·9 million, an increase of $61·2 million over the total of $22·7 million for the previous fiscal year. Administration and general expenditures of the department are expected to amount to $10·1 million compared with $8·3 million in 1951-52.

In addition to the foregoing budgetary expenditures, the Department of Defence Production has made additional cash outlays out of the Defence Production Revolving Fund for the procurement of materials for use in the manufacture of defence equipment. For purposes of accounting and control, materials so acquired are treated as assets in the books of the government until they are billed to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment. It is estimated that net cash payments of approximately $34 million will be made in 1952–53 for the acquisition of materials as compared with $82·4 million in 1951–52.

The replacement of equipment and supplies transferred to parties to the North Atlantic Treaty also involved cash outlays which were not reflected as budgetary expenditures in the year under review. It is estimated that an amount of $13 million will be disbursed in 1952-53 for this purpose compared with $49 million in 1951-52. The cost of such replacements is charged to the Defence Equipment Replacement Fund which is credited with the estimated value of the defence equipment and supplies when these are transferred from Canadian stocks to NATO countries.

Public Debt Charges

Public debt charges in 1952-53, as in 1951-52, will constitute the second largest single item of government expense. The total for the year, which is estimated at $460·9 million, represents 10·7 per cent of the aggregate expenditures in 1952-53 compared with a total of $531 million or 14·2 per cent in 1951-52. However, when making this comparison it should be noted that the total for 1951-52 includes a non-recurring charge of $87·5 million representing the additional amount required to place interest on public debt on an accrual basis. If this amount were excluded from the comparison, there would be a net increase of $15·1 million in this expenditure category.

Interest on funded debt payable in Canada, London and New York is expected to show a small decrease of $1·2 million from the previous year.

It is estimated that interest on deposit and trust accounts will increase by $0·2 million, but as insurance, pension and guaranty accounts continued to increase substantially during the year, interest on these accounts is expected to increase by $16·1 million. Of this increase, $13·3 million is for interest on the civil service superannuation account, $2·4 million on the government annuities account, and $1·6 million on the permanent services pension account; offset in part by decreases of $1 million for returned soldiers insurance and $0·3 million for veterans insurance accounts. Interest on these latter accounts was terminated as of April 1, 1952.

Other public debt charges are estimated at $13·4 million, as compared with $11·1 million in 1951–52. The increase of $2·3 million is due chiefly to the increase of $2 million in the annual charges for amortization of bond discounts and commissions.

The following table presents a summary of public debt charges for 1952-53 and the corresponding figures for the previous year:

INTEREST AND OTHER PUBLIC DEBT CHARGES FOR THE FISCAL YEARS ENDED MARCH 31, 1953 AND MARCH 31, 1952

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Interest on Public Debt—			
Funded Debt and Treasury Bills—			
Payable in Canada	377·9	378·5	−0·6
Payable in London	1·6	1·7	−0·1
Payable in New York	10·0	10·5	−0·5
	389·5	*390·7*	*−1·2*
Deposit and Trust Accounts	3·0	2·8	0·2
Insurance, Pension and Guaranty Accounts	55·0	38·9	16·1
	447·5	*432·4*	*15·1*
Additional amount required to place interest on public debt on accrual basis	.....	87·5	−87·5
Total Interest on Public Debt	447·5	519·9	−72·4
Annual amortization of bond discounts and commissions	11·7	9·7	2·0
Servicing of Public Debt	0·5	0·3	0·2
Cost of Issuing New Loans	1·2	1·1	0·1
Total Public Debt Charges	460·9	531·0	−70·1

Subsidies and Tax Rental Payments to Provinces

Payments to the provinces during 1952-53 for statutory subsidies, the transitional grant to Newfoundland, rentals under the 1947 and 1952 tax rental agreements and the transfer of certain public utility tax receipts are estimated at $338 million compared with $127·2 million in 1951-52. A comparative summary of the payments for the two years is given in the following table:

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Statutory subsidies	20·1	20·1	.....
Transitional grant to Newfoundland	5·6	6·5	−0·9
Rentals under 1947 Tax Rental Agreements	23·8	96·9	−73·1
Rentals under 1952 Tax Rental Agreements	284·8	.....	284·8
Transfer of certain public utility tax receipts (sec. 7, Chap. 58, Statutes of Canada, 1947, and sec. 6, Chap. 49, Statutes of Canada, 1952)	3·7	3·7	.....
	338·0	127·2	210·8

Statutory subsidy payments in 1952-53, as in 1951-52, were based on the 1951 census totals of population.

Payments under the tax rental agreements increased by $211·7 million as a result of the new agreements signed in 1952 and the entry of the Province of Ontario into a tax agreement. The new tax rental agreements provide for larger guaranteed minimum payments and the adjusted rental payments are based on the increase in the gross national product per capita and the provincial population in the year preceding the year of payment instead of the average of the three preceding years as under the 1947 agreements. In addition to larger rental payments the new agreements also provide that all the instalments in respect of a year shall be paid within that fiscal year. Thus payments made in 1952-53 include the four instalments payable under the 1952 agreements in respect of 1952-53 as well as the concluding payment made under the 1947 agreements. A further reason for the larger amount shown for tax rental payments in 1952-53 arises from the discontinuance of the provincial 5% corporation income taxes which were levied by the agreeing provinces during the period when the 1947 agreements were in force. These taxes were administered and collected by the federal government and the proceeds thereof, when finally assessed, were turned over to the provinces. The amount turned over to the provinces (less small amounts representing the collection of interest and penalties) was deducted from the stipulated tax rental payments and in 1951-52 this reduced the federal budgetary expenditure shown on this account by $25 million. In keeping with the terms of the new tax agreements, these provincial corporation income taxes were not levied on profits earned after December 31, 1951, and the amount now held by the federal government on account of collections of these taxes is to remain in its hands. Accordingly nothing was turned over to the provinces on account of these taxes in 1952-53 and there were no deductions from the tax rental payments made to the provinces on this account corresponding to the deductions made in previous years.

The amount of the transfer of public utility tax receipts to the provinces is expected to be the same as in the previous year. Section 7 of the Dominion-Provincial Tax Rental Agreements Act, 1947, authorized the payment to the provinces, whether participating in the agreements or not, of a portion of the income tax collected from corporations, whose main business was the distribution to, or the generation for distribution to, the public of electrical energy, gas or steam. Provision for similar payments was also made in the Tax Rental Agreements Act, 1952.

A summary of payments, by provinces during 1952–53 is given in the following table:

SUBSIDIES AND TAX RENTAL PAYMENTS TO PROVINCES
FOR THE FISCAL YEAR ENDED MARCH 31, 1953

—	Statutory Subsidies	Rentals under 1947 Tax Rental Agreements	Rentals under 1952 Tax Rental Argeements	Transitional Grant	Total
	(In millions of dollars)				
Newfoundland	1·6	2·1	10·7	5·6	20·0
Nova Scotia	2·1	2·2	18·1	—	22·4
Prince Edward Island	0·7	0·7	3·3	—	4·7
New Brunswick	1·7	2·5	15·0	—	19·2
Quebec	3·3	—	—	—	3·3
Ontario	3·6	—	123·3	—	126·9
Manitoba	1·7	2·9	23·1	—	27·7
Saskatchewan	2·0	2·5	23·6	—	28·1
Alberta	2·1	5·0	27·3	—	34·4
British Columbia	1·3	5·8	40·4	—	47·5
	20·1	23·8	284·8	5·6	334·3
Transfer of certain public utility tax receipts (Sec. 6, Chap. 49, Statutes of Canada 1952)	.....	.....	.....	.....	3·7
					338·0

Government Contributions to the Civil Service Superannuation Account

It is estimated that $38·8 million will be charged to expenditures in 1952-53 in connection with the Civil Service Superannuation Account as compared with $110·9 million in 1951-52.

The government's contribution of an amount equal to the estimated payments by individual contributors in the previous year on account of current and prior service is estimated at $13·8 million representing an increase of $0·9 million over the total of $12·9 million in the previous fiscal year. In March, 1952, the policy of showing the full estimated actuarial liability in respect of the operation of the Superannuation Account on the government balance sheet was adopted. The amount of $214 million, by which this actuarial liability exceeded the balance of the account at the end of the fiscal year, was set up in 1951-52 as a deferred charge to be written off to budgetary expenditures as special contributions were voted by Parliament in future years. In 1952-53 an amount of $25 million is included in the expenditures for the year as a contribution to be applied to the reduction of this amount.

Provision for reserve for possible losses on ultimate realization of active assets

An amount of $75 million will be transferred during the year to the general reserve for possible losses on the ultimate realization of active assets with a corresponding amount being shown as an expenditure in the government's accounts. This will bring the balance in the reserve at the end of the fiscal year to $545·9 million which is equivalent to approximately 7 per cent of the aggregate active assets. No charge or write-off to the reserve is expected during the fiscal year.

Family Allowances, Old Age Assistance and Pensions to Blind Persons

Payments for family allowances are estimated at $334·1 million for 1952-53 representing approximately 7·7 per cent of the total expenditures as compared with $320·5 million or approximately 8·6 per cent of the total in 1951–52. This estimated increase of $13·6 million is attributable chiefly to the natural increase in population in the eligible age groups.

Payments in respect of old age assistance and blind pensions (excluding pensions paid from the Old Age Security Fund) are estimated at $22·1 million for 1952-53 as compared with $83·2 million in 1951-52.

The present scheme of old age and blind pensions came into force on January 1, 1952, so that 1952-53 was the first full fiscal year of operations thereunder. Up to that time both of these types of pension were available under the Old Age Pensions Act to those who were 70 years and over, or 21 years and over if blind, who satisfied the means and residence tests. Thereafter under the Old Age Security Act all persons 70 years and over who satisfied the residence requirements could receive pensions of $40 a month from the federal government out of the Old Age Security Fund which was established in accordance with that Act. At the same time the Old Age Assistance Act and the Blind Persons Act came into force. Under the first of these new Acts the federal government reimbursed the provinces by paying 50 per cent of the lesser of $40 monthly or the amount

of assistance given by the provinces in the form of monthly pensions to eligible persons in need who were in the age group of 65 to 69. The same procedure was followed by the federal government in reimbursing provinces under the terms of the Blind Persons Act for pensions paid to eligible blind persons in need over the age of 21.

Payments in respect of old age assistance and blind pensions are estimated at $22·1 million for the full fiscal year 1952-53, whereas in the previous fiscal year only $6 million was expended on the same groups in the form of $3·7 million on blind pensions for the whole year and $2·3 million for old age assistance in the last quarter. During the first nine months of 1951-52, $77·2 million was spent on old age pensions under the old Act.

A comparative summary of the estimated payments for 1952-53 and actual outlays for 1951-52 is given in the following tables:

FAMILY ALLOWANCE PAYMENTS AND FEDERAL CONTRIBUTIONS TO OLD AGE PENSIONS, OLD AGE ASSISTANCE AND PENSIONS TO BLIND PERSONS FOR THE FISCAL YEARS ENDED MARCH 31, 1953, AND MARCH 31, 1952

—	Fiscal Year Ended March 31		Increase or Decrease(−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Family Allowances	334·1	320·5	13·6
Federal contributions to			
Old Age Pensions	—	77·2	−77·2
Old Age Assistance	19·1	2·3	16·8
Pensions to the blind	3·0	3·7	−0·7
	356·2	403·7	−47·5

The estimated distribution of these payments, by provinces, is shown in the following tables:

FAMILY ALLOWANCE PAYMENTS

—	Fiscal Year Ended March 31		Increase
	1953 (Estimated)	1952	
	(In millions of dollars)		
Newfoundland	10·9	10·6	0·3
Nova Scotia	16·3	15·9	0·4
Prince Edward Island	2·5	2·5	—
New Brunswick	14·2	13·9	0·3
Quebec	107·4	102·9	4·5
Ontario	98·2	93·2	5·0
Manitoba	17·3	16·7	0·6
Saskatchewan	19·7	19·4	0·3
Alberta	22·6	21·6	1·0
British Columbia	24·4	23·1	1·3
Northwest and Yukon Territories	0·6	0·6	—
	334·1	320·5	13·6

FEDERAL CONTRIBUTIONS TO OLD AGE ASSISTANCE AND PENSIONS TO THE BLIND FOR THE YEAR ENDED MARCH 31, 1953

—	Old Age Assistance Act	Pensions to the Blind
	(In millions of dollars)	
Newfoundland	0·8	0·1
Nova Scotia	0·9	0·3
Prince Edward Island	0·1	(1)
New Brunswick	1·1	0·3
Quebec	7·0	1·1
Ontario	4·6	0·6
Manitoba	1·0	0·2
Saskatchewan	1·0	0·1
Alberta	0·9	0·1
British Columbia	1·7	0·2
Northwest and Yukon Territories	(1)	(1)
	19·1	3·0

(1) Less than $50,000.

Unemployment Insurance Act Administration and Government's Contribution

Expenditures relating to the Unemployment Insurance Act (excluding the Government's payment as an employer) are estimated at $56·7 million for 1952-53, an increase of $2·9 million over the total of $53·8 million for 1951-52.

Unemployment insurance benefit payments are not charged directly to budgetary expenditures, but to the Unemployment Insurance Fund which is financed by contributions from employers and employees, by interest earned on investments, and by the Government's contribution of an amount equal to one-fifth of the combined employer-employee payments.

The Government's contribution to the Fund for 1952-53 is estimated at $31·2 million compared with $29·9 million in 1951-52. Administration costs are estimated at $25·4 million or $1·5 million more than the total of $23·9 million for the previous fiscal year.

Agriculture

Expenditures of the Department of Agriculture are estimated at $117·3 million for 1952-53 compared with $67·1 million for 1951-52. The estimated increase of $50·2 million is due chiefly to increases of $40·3 million in the net operating loss of the Agricultural Prices Support Account, $6 million in freight assistance on western feed grains and $2 million in outlays on rehabilitation and reclamation projects. A reduction of $1·7 million in assistance to apple growers is expected to be slightly more than offset by increased costs of the science, production, marketing and experimental farms services and by the premium payments on hog carcasses.

The following table presents a comparative summary of the expenditures of the department for the last two years:

—	Fiscal Year Ended March 31		Increase or Decrease(−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Freight assistance on western feed grains	21·0	15·0	6·0
Rehabilitation and reclamation projects	13·9	11·9	2·0
Premium on hog carcasses	6·2	5·4	0·8
Experimental Farms Service	8·5	7·7	0·8
Science Service	8·8	7·5	1·3
Production Service	9·0	8·8	0·2
Marketing Service	5·0	4·6	0·4
Assistance to apple growers—			
Nova Scotia and British Columbia	—	1·7	−1·7
Net operating loss—			
Agricultural Prices Support Board	42·0	1·7	40·3
Departmental administration and sundry	2·9	2·8	0·1
	117·3	67·1	50·2

Citizenship and Immigration

Expenditures of the Department of Citizenship and Immigration are estimated at $23·7 million for 1952-53, an increase of $0·5 million over the total of $23·2 million in 1951-52.

The following table presents a comparative summary of the expenditures for the last two fiscal years:

—	Fiscal Year Ended March 31		Increase or Decrease(−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Citizenship and Citizenship Registration	0·8	0·5	0·3
Immigration	7·4	8·2	−0·8
Indian Affairs	15·1	14·0	1·1
Administration and general	0·4	0·5	−0·1
	23·7	23·2	0·5

External Affairs

Expenditures of the Department of External Affairs are estimated at $39·1 million for 1952-53 or $1·5 million more than the total outlay of $37·6 million in the previous year. Assistance to other countries directly or through international organizations is estimated at $26·1 million for 1952-53 compared with $26·4 million in 1951-52, the principal item in the category being the amount of $25 million provided under the Colombo Plan for assistance to countries in South and South-East Asia. Outlay for membership in commonwealth and international organizations is estimated at $3·5 million and administrative and general expenditures of the department are expected to amount to $9·5 million. The corresponding expenditures in 1951-52 were $2·7 million and $8·5 million respectively.

Finance

The major items of expenditure for the Department of Finance have already been dealt with, in comparative form, under the headings "Public Debt Charges", "Subsidies and Tax Rental Payments to Provinces", "Provision for reserve for possible losses on the ultimate realization of active assets" and "Government's Contribution to the Civil Service Superannuation Account".

In addition, it is estimated that amounts totalling $30·8 million will be spent in 1952-53 compared with $29·5 million in 1951-52. The following table presents a comparative summary of these expenditures for the past two fiscal years:

—	Fiscal Year Ended March 31		Increase or Decrease(—)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Administration expenses—Office of the Comptroller of The Treasury	13·4	12·6	0·8
Grants to Universities	7·2	7·0	0·2
Grants to Municipalities in lieu of taxes on federal property	2·7	2·1	0·6
Government's contribution as an employer to the Unemployment Insurance Fund	1·1	1·1	—
Federal government's share of claims—Rimouski and Cabano fires	0·2	1·2	—1·0
Implementation of guarantees—Ming Sung Industrial Co. Ltd	1·7	1·3	0·4
Departmental administration and general	4·5	4·2	0·3
	30·8	29·5	1·3

Mines and Technical Surveys

Expenditures of the Department of Mines and Technical Surveys are estimated at $29·7 million for 1952-53 compared with $27·8 million for 1951-52. The increase of $1·9 million is due chiefly to increases of $1·4 million in the expenses of the Dominion Coal Board and $1·7 million in general and administration expenditures, offset by a decrease of $1 million in expenditures under the Emergency Gold Mining Assistance programme.

National Health and Welfare

Family Allowances, Old Age Assistance and Pensions to the Blind constitute the major items of expenditure for the Department of National Health and Welfare and because of their importance in relation to the total government expenditures, they have been dealt with separately under their respective headings in preceding paragraphs. It is estimated that the department's expenditures for all other services will amount to $55·9 million in 1952-53 as compared with $45·4 million in 1951-52. General health grants to assist the provinces in hospital construction, the strengthening of general public health services and the control of diseases are estimated at $31 million, an increase of $6·7 million compared with $24·3 million for 1951-52. Administration and general expenses, including Indians' and Eskimos' health services, are estimated at $24·9 million, an increase of $3·8 million over the total of $21·1 million for 1951-52.

National Research Council and Atomic Energy Control Board

The National Research Council expenditures for 1952-53 are estimated at $16·5 million indicating an increase of $3·7 million over the total of $12·8 million for 1951-52. Expenditures of the Atomic Energy Control Board are estimated at $12·7 million for 1952-53 compared with $12·3 million in the previous fiscal year.

National Revenue

Expenditures for the Department of National Revenue are estimated at $47·7 million for 1952-53 compared with $45·8 million for 1951-52. Of the total increase of $1·9 million, $1·7 million is for the Customs and Excise Divisions and $0·2 million for the Taxation Division.

The following table presents a comparative summary of the expenditures of the department for the last two fiscal years:

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Customs and Excise Divisions	25·6	23·9	1·7
Taxation Division	22·0	21·8	0·2
Income Tax Appeal Board	0·1	0·1	.....
	47·7	45·8	1·9

Post Office

Gross expenditures of the Post Office Department for 1952-53, including payments from revenue, are estimated at $124 million, an increase of $8·3 million over the total of $115·7 million for 1951-52. Remunerations of postmasters, staffs at revenue and semi-staff offices and commissions at sub-offices are paid from revenue. These payments, included in the total of $124 million, are estimated at $17·8 million for 1952-53 compared with similar payments amounting to $17·7 million in the previous fiscal year. Other disbursements which are charged to budgetary expenditures are estimated at $106·2 million for 1952-53 while the corresponding total for the previous fiscal year was $98 million.

The following table presents a comparative summary of the expenditures for 1952-53 and 1951-52:

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Charged to Expenditures—			
Operations—including salaries and other expenses of staff post offices, district offices and railway mail services and supplies and equipment and other items for revenue post offices	61·0	56·3	4·7
Transportation—movement of mail by land, air and water	41·6	38·4	3·2
Financial services	2·4	2·3	0·1
Departmental administration and general	1·2	1·0	0·2
	106·2	*98·0*	*8·2*
Charged to Revenue—			
Operations—salaries of postmasters and staffs at revenue and semi-staff offices, commissions paid at sub-offices and other disbursements	17·8	17·7	0·1
	124·0	115·7	8·3

Public Works

Expenditures of the Department of Public Works for 1952-53 are estimated at $81 million compared with a total of $77·5 million for 1951-52. The following table presents a comparison of expenditures for the last two fiscal years:

—	Fiscal Year Ended March 31		Increase or Decrease(—)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Architectural Branch—			
Public Buildings—Ottawa	12·1	10·1	2·0
Public Buildings—Other than Ottawa	17·8	15·6	2·2
Other	20·6	25·0	—4·4
Engineering Branch	28·9	25·2	3·7
Administration and general	1·6	1·6	—
	81·0	77·5	3·5

Increases totalling $4·2 million for the operation and maintenance of federal public buildings are more than offset by decreases of $4·4 million in other expenditures of the Architectural Branch. Expenditures of the Engineering Branch are estimated at $28·9 million for 1952-53, an increase of $3·7 million over the total of $25·2 million in 1951-52.

Resources and Development

Estimated expenditures of $35·6 million for the Department of Resources and Development for 1952-53 are $3·8 million greater than the total of $31·8 million for 1951-52. The following table presents a comparative summary of expenditures for the last two fiscal years:

—	Fiscal Year Ended March 31		Increase or Decrease(—)
	1953 (Estimated)	1952	
	(In millions of dollars)		
National Parks Branch	7·3	7·0	0·3
Engineering and Water Resources Branch	17·1	15·2	1·9
Northern Administration and Lands Branch	3·7	3·1	0·6
Forestry Branch	3·7	3·4	0·3
Canadian Government Travel Bureau	1·4	1·4	—
Housing	1·9	1·4	0·5
Administration and general	0·5	0·4	0·1
	35·6	31·8	3·8

Expenditures of the Engineering and Water Resources Branch are estimated at $17.1 million, of which $13 million represents the Government's contribution to the provinces in connection with the Trans-Canada Highway. In 1951-52 the contribution was $12·8 million.

Royal Canadian Mounted Police

Expenditures for 1952-53 of the Royal Canadian Mounted Police are estimated at $32·1 million compared with a total of $27·3 million for 1951-52. The following table presents a comparison of expenditures for the last two fiscal years:

	Fiscal Year Ended March 31		Increase or Decrease(−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Land services	28·2	23·5	4·7
Marine services	1·0	0·9	0·1
Aviation services	0·4	0·2	0·2
Government contribution to the Royal Canadian Mounted Police Pension Account	0·5	0·9	−0·4
Administration and general	2·0	1·8	0·2
	32·1	27·3	4·8

Expenditures for land services are estimated at $28·2 million in 1952-53 compared with $23·5 million in the previous fiscal year. Increases of $0·1 million in marine services, $0·2 million in aviation services and $0·2 million in administration and general are largely offset by a decrease of $0·4 million in the Government's contribution to the Royal Canadian Mounted Police Pension Account.

Trade and Commerce

Expenditures of the Department of Trade and Commerce are estimated at $17·1 million for 1952-53, a decrease of $4·7 million from the total of $21·8 million for 1951-52. The following table presents a comparative summary of expenditures for the last two fiscal years:

	Fiscal Year Ended March 31		Increase or Decrease(−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Trade Commissioner Service	2·3	2·1	0·2
Standards Division	1·4	1·3	0·1
Dominion Bureau of Statistics	5·8	10·6	−4·8
Canada Grain Act	4·8	3·8	1·0
Administration and General	2·8	4·0	−1·2
	17·1	21·8	−4·7

The decrease of $4·8 million in expenditures of the Dominion Bureau of Statistics is largely attributable to the absence in 1952-53 of expenditures comparable to those in 1951-52 for the census of population and agriculture and the 1951 census of distribution. Increases of $0·2 million in outlay for the Trade Commissioner Services, $0·1 million for the Standards Division and $1·0 million for expenditures under the Canada Grain Act are largely offset by a decrease of $1·2 million in administration and general expenditures which are estimated at $2·8 million. The decrease in this latter category is due mainly to a non-recurring expenditure in 1951-52 of $1·6 million representing a payment with respect to the Greater Winnipeg Dyking Board.

Transport

Expenditures of the Department of Transport are estimated at $107·6 million for 1952-53, an increase of $7·7 million over the corresponding total of $99·9 million for 1951-52, as shown in the following table:

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Air Services—			
Telecommunications Division	13·4	12·0	1·4
Meteorological Division	6·8	6·1	0·7
Civil Aviation	20·4	17·9	2·5
	40·6	*36·0*	*4·6*
Other Services—			
Canal Services	10·0	8·0	2·0
Marine Services	22·6	17·5	5·1
Railway Services (including Maritime Freight Rates Act and maintenance of trackage C.N.R. and C.P.R)	21·9	12·3	9·6
Canadian Maritime Commission	4·0	4·5	−0·5
Deficits and non-active advances—			
Government-owned enterprises	5·3	18·2	−12·9
Departmental administration and sundry	3·3	3·4	−0·1
	107·6	99·9	7·7

Estimated expenditures for air services reflect increases of $1·4 million for the telecommunications division, $0·7 million for the meteorological division and $2·5 million for civil aviation. Outlays in canal services are expected to total $10 million, an increase of $2 million over the previous year while marine services expenditures are estimated at $22·6 million, or $5·1 million more than in 1951-52. Railway services, at $21·9 million, are expected to be $9·6 million higher than in 1951-52. Of the total increase in the latter category, $3·8 million is due to payments under the Railway Act, Chap. 22, sec. 18, (Statutes 1951) to the Canadian National and Canadian Pacific Railways for the maintenance of trackage on the railways' transcontinental lines in certain areas of Northern Ontario. These increases which reflect increased activity in the airport, vessel and other construction programmes of the department, larger payments under the Maritime Freight Rates Act and general increases in the costs of normal continuing services, are offset in part by estimated reductions of $0·5 million in the expenditures of the Canadian Maritime Commission and $12·9 million in deficits and non-active advances to government-owned enterprises.

The following table presents a comparative summary of expenditures for deficits of, and non-active advances to, government-owned enterprises for 1952-53 and 1951-52.

NET INCOME DEFICITS AND NON-ACTIVE ADVANCES TO GOVERNMENT-OWNED ENTERPRISES FOR THE FISCAL YEARS ENDED MARCH 31, 1953 And MARCH 31, 1952

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Net Income Deficits—			
Canadian National Railways	.....	15·0	−15·0
Canadian National (West Indies) Steamships, Ltd.	.....	0·5	−0·5
North Sydney—Port aux Basques Ferry and Terminals	1·8	.....	1·8
Prince Edward Island Car Ferry and Terminals	1·5	1·4	0·1
National Harbours Board	0·1	0·1	.....
	3·4	17·0	−13·6
Loans and Advances, Non-Active—			
National Harbours Board	1·9	1·2	0·7
	5·3	18·2	−12·9

The expected decrease of $12·9 million in this category is due to the fact that the C.N.R. mainly because of the change in its capital structure which reduced interest charges, as authorized by the C.N.R. Capital Revision Act, 1952 did not incur a deficit in the calendar year 1952. In 1951 the Railway's deficit was $15 million.

Veterans Affairs

Total expenditures for the Department of Veterans Affairs are estimated at $242·5 million for 1952-53, an increase of $26·5 million compared with the total of $216 million for 1951-52. The table which follows presents a comparative summary of the expenditures for the two fiscal years:

—	Fiscal year ended March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
	(In millions of dollars)		
Pensions (World Wars I and II and Northwest Rebellion 1885)	127·1	103·7	23·5
Treatment Services	42·0	39·6	2·4
War Veterans' allowances and other benefits	30·9	29·6	1·3
War service gratuities and re-establishment credits	11·1	9·8	1·3
Post-discharge rehabilitation benefits	4·0	6·6	—2·6
Soldier Settlement and Veterans' Land Acts— Administration and general	5·7	5·9	—0·2
Provision for reserve for conditional benefits	8·0	7·6	0·4
Departmental, district and pensions administration and miscellaneous payments	13·7	13·2	0·5
	242·5	216·0	26·5

The increase of $26·5 million in the department's expenditures for 1952-53 is due mainly to increased rates of pension which became payable in January 1952 as a result of amendments to the Pension Act. Consequently, the revision which was applicable for only three months of 1951-52 was in effect for all of 1952-53.

The provision for the reserves for conditional benefits under the Veterans' Land Act is estimated at $8 million, an increase of $0·4 million over the previous year. Conditional grants are made to veterans who enter into agreements with the director for sales of land and chattels provided they fulfil the terms of the agreements for a period of ten years. The amount charged to expenditures during 1952-53 under this heading covers one-tenth of the conditional benefits included in sales to veterans prior to April, 1953.

4. THE CASH POSITION

In the preceding sections of this Part the budgetary transactions of the Government for the fiscal year 1952-53 have been described in some detail and the estimated budgetary revenues and expenditures and surplus have been analyzed and compared with the actual figures for the preceding fiscal year. However, the budgetary accounts do not reflect the full scope of the Government's financial operations which extend beyond the collection of revenues or

the making of expenditures in the strict or narrow accounting or budgetary meaning of those terms. While a substantial part of all governmental activities is directly reflected in the budgetary accounts, large amounts of cash are received and disbursed in connection with extra-budgetary transactions and these receipts and disbursements must be taken into account when measuring the impact of the Government's financial operations upon the economy or analyzing the implications of Government spending and the methods by which that spending is financed.

Consequently in determining the over-all cash surplus or deficit for the fiscal year, the cash available from or required for non-budgetary as well as budgetary transactions must be taken into account.

The non-budgetary receipts and disbursements relate to transactions which result in increases or decreases in the Government's assets and liabilities. They do not appear in the Government's income account nor do they enter into the calculation of the annual budgetary surplus or deficit. On the assets side, they consist, for the most part, of advances to and repayments of loans by Crown corporations and other government agencies, foreign, provincial and municipal governments and other borrowers, investments in government securities and outlays for the acquisition of inventories of materials which will be used in the future, and for services rendered in one year but applicable to the accounts of subsequent years. On the liabilities side, the transactions relate primarily to receipts and payments in connection with the numerous deposit and trust, and annuity, insurance and pension funds held or administered by the Government.

The following summary shows how the non-budgetary transactions and the budgetary surplus affect the Government's funded debt and cash position in 1952-53. For purposes of comparison the corresponding figures for 1951-52 are also shown:

	Fiscal Year Ended March 31	
	1953 (Estimated)	1952
	(In millions of dollars)	
NON-BUDGETARY DISBURSEMENTS (excluding unmatured funded debt transactions)—		
Loans, investments and working capital advances—		
Loans to and investments in Canadian National Railways	124·8	139·9
Loans to Central Mortgage and Housing Corporation	75·8	73·7
Temporary loans to Old Age Security Fund	100·0	—
Advances to Agricultural Prices Support Account	66·7	4·8
Advances to Exchange Fund	50·0	200·0
Advances to Defence Production Revolving Fund	34·4	82·4
Loans under Soldier Settlement and Veterans' Land Acts	7·1	9·1
Other loans, investments and working capital advances	8·0	18·0
	(466·8)	(527·9)
Other non-budgetary expenditures—		
Cost of loan flotations (portion to be amortized)	8·7	—5·7
Net decrease in provincial 5 per cent Corporation Income Tax Suspense Account	30·7	—14·4
Net decrease in outstanding cheques, interest due, accounts payable, etc.	108·6	42·3
Net decrease in cash balances of Unemployment Insurance Fund	4·7	1·6
Net disbursements from sundry accounts	7·8	—
	(160·5)	(23·8)
TOTAL	627·3	551·7
NON-BUDGETARY RECEIPTS (excluding unmatured funded debt transactions)—		
Repayments of loans, investments and working capital advances—		
1942 Loan to United Kingdom	23·5	31·1
1946 Loan to United Kingdom	14·3	14·0
Loans to other foreign Governments	20·7	14·3
Loans to Provincial and Municipal Governments	3·8	4·2
Other Loans, investments and working capital advances	2·0	—
	(64·3)	(63·6)
Net Government Annuities Account receipts—		
Premium receipts less payments to beneficiaries	34·0	30·0
Interest paid by Government	27·1	24·7
Government contribution to maintain reserve	1·0	0·9
	(62·1)	(55·6)
Net insurance and pension account receipts—		
Employee contributions less payments to beneficiaries	12·1	13·5
Government contributions	44·2	66·6
Special Government provision for unamortized portion of Civil Service Superannuation Account liability	25·0	75·0
Interest paid by Government	27·9	14·2
	(109·2)	(169·3)
Net increase in Defence Equipment Replacement Account	66·1	25·9
Net increase in interest accrued on the public debt	7·0	87·5
Net increase in reserve for possible losses on the ultimate realization of active assets	75·0	75·0
Net increase in reserve for conditional benefits—		
Veterans' Land Act	8·1	7·6
Net receipts from sundry accounts	57·3	72·3
TOTAL	449·1	556·8
NET NON-BUDGETARY REQUIREMENTS	178·2	—5·1
DEDUCT: BUDGETARY SURPLUS	47·8	248·0
OVERALL CASH DEFICIT (—) REQUIRED TO BE FINANCED BY BORROWING	—130·4	
OVERALL CASH SURPLUS AVAILABLE FOR DEBT REDUCTION		253·1
NET INCREASE OR DECREASE (—) IN UNMATURED FUNDED DEBT OUTSTANDING IN THE HANDS OF THE PUBLIC	*141·7	—383·9
NET INCREASE OR DECREASE (—) IN CASH BALANCES	11·3	—130·8

* Adjusted for changes in Securities Investment Account and Sinking Fund

As the table shows, non-budgetary disbursements are expected to amount to $627·3 million in 1952-53 and non-budgetary receipts to $449·1 million, resulting in a non-budgetary deficit of $178·2 million compared with a surplus of $5·1 million for 1951–52. Deducting from this sum the budgetary surplus of $47·8 million, a net cash deficit of $130·4 million remains to be financed by additional borrowing from the public. In 1951-52, a cash surplus of $253·1 million was available for debt redemption.

Non-budgetary disbursements, which are estimated at $627·3 million, include $124·8 million to the Canadian National Railways, $75·8 million to Central Mortgage and Housing Corporation for housing construction and housing loans, $100 million in temporary loans to the Old Age Security Fund to cover the excess of pension payments over tax receipts, $66·7 million for advances to the Agricultural Prices Support Account, $50 million for advances to the Exchange Fund, $34·4 million for advances to the Defence Production Revolving Fund for the acquisition and stockpiling of defence materials, $15·1 million for miscellaneous loans, investments and working capital advances (including $7·1 million for loans to veterans), $8·7 million for discounts and commissions on loan flotations, $30·7 million for the decrease in the balance of the Provincial 5 per cent corporation income tax suspense account, $108·6 million for the decrease in outstanding cheques, interest due and accounts payable, $4·7 million representing the decrease in the cash balances of the Unemployment Insurance Fund, and $7·8 million in disbursements from sundry accounts.

Non-budgetary receipts, amounting to an estimated total of $449·1 million, are made up of $62·1 million from net Government Annuities Account receipts, $109·2 million from insurance, pension and liability account receipts, $64·3 million from repayments of sundry loans and investments (of which $58·5 million was from the United Kingdom and other foreign governments), $75 million representing the increase in the general reserve for possible losses on the ultimate realization of active assets, $66·1 million the increase in the Defence Equipment Replacement Account, and $72·4 million receipts from sundry accounts.

To finance the over-all cash deficit of $130·4 million on budgetary and non-budgetary account, unmatured funded debt in the hands of the public will increase during 1952-53 by $141·7 million, with the result that the Government's cash balances will be increased by $11·3 million.

5. ESTIMATED BALANCE SHEET POSITION AT MARCH 31, 1953.

The following table presents in summary form the Government's estimated balance sheet position at March 31, 1953, with the comparable figures for March 31, 1952.

SUMMARY OF THE LIABILITIES AND ASSETS OF THE GOVERNMENT OF CANADA AS AT MARCH 31, 1953 and MARCH 31, 1952

(in millions of dollars)

	Fiscal year ended March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Liabilities			
Floating debt	739·1	847·7	—108·6
Deposit and trust accounts	185·1	131·8	53·3
Insurance, pension and guaranty accounts	1,557·9	1,416·3	141·6
Deferred credits	130·0	124·6	5·4
Sundry suspense accounts	345·5	304·5	41·0
Province debt accounts	11·9	11·9	.....
Funded debt unmatured	14,837·6	14,695·4	142·2
	17,807·1	17,532·2	274·9
Active Assets			
Cash and other current assets	2,516·7	2,330·2	186·5
Loans to, and investments in, Crown agencies	1,687·9	1,472·7	215·2
Other loans and investments	2,528·2	2,591·3	—63·1
Sinking fund and other investments held for retirement of unmatured funded debt	27·1	25·9	1·2
Province debt accounts	2·3	2·3	.....
Deferred charges	252·0	268·3	—16·3
Sundry suspense accounts	201·3	127·1	74·2
Total Active Assets	7,215·5	6,817·8	397·7
Less: Reserve for possible losses on ultimate realization of active assets	545·9	470·9	75·0
Net Active Assets	6,669·6	6,346·9	322·7
Net Debt (Excess of liabilities over net active assets)	11,137·5	11,185·3	—47·8

The aggregate liabilities of the Government as at March 31, 1953, are estimated at $17,807·1 million, an increase of $274·9 million over the corresponding total at the end of the previous year. Unmatured funded debt outstanding, including bonds, treasury bills and deposit certificates, accounts for $14,837·6 million or approximately 83 per cent of all liabilities. Of the total unmatured funded debt now outstanding, only $389·7 million or approximately 2·6 per cent is payable in foreign currencies—$337·6 million in United States dollars and $52·1 million in pounds sterling. A complete statement in tabular form of the Government's unmatured funded debt as at March 31, 1953 with details of interest rates, dates of maturity, annual interest charges and amounts of principal outstanding for each loan may be found at the end of this Part.

Floating debt, consisting of outstanding cheques and interest, matured funded debt and similar obligations payable on demand and accounts payable (cheques issued in April in payment of accounts relating to 1952-53), is estimated at $739·1 million. Insurance, pension and guaranty accounts are expected to total $1,557·9 million.

The other liability items are: sundry suspense accounts (where some uncertainty as to disposition exists), $345·5 million; deposit and trust accounts (consisting of moneys deposited with or held by the Receiver General for various purposes), $185·1 million; deferred credits (consisting of balances whose ultimate accounting treatment is known, but which are held until certain conditions are fulfilled), $130 million and province debt accounts (representing settlements arising out of agreements at the time of Confederation), $11·9 million.

Offsetting these liabilities and in a measure explaining their existence—as a substantial portion of the total debt is attributable to them—are the Government's active assets. These, for the most part, consist of assets that yield interest, profits or dividends, very liquid assets such as cash and departmental working capital funds, and certain prepaid expenditures and sundry suspense accounts.

It is expected that the aggregate active assets of the Government as at March 31, 1953 will amount to $7,215·5 million. The totals of the principal active asset categories as at that date are estimated at: cash and other current assets, $2,516·7 million; loans to, and investments in, Crown agencies, $1,687·9 million; other loans and investments (including loans to provincial, municipal, United Kingdom and other governments, subscriptions to international organizations and a number of miscellaneous advances to veterans and others), $2,528·2 million; deferred charges, $252 million; sinking fund and other investments held for retirement of unmatured funded debt, $27·1 million; province debt accounts, $2·3 million and sundry suspense accounts, $201·3 million.

The reserve for possible losses on ultimate realization of active assets which now stands on the books at $545·9 million is shown on the balance sheet as a deduction from the total of active assets, bringing the net active asset total to $6,669·6 million.

A. Changes in Principal Liability Classifications During 1952-53

The increase in the gross liabilities of the Government during the fiscal year is estimated at $274·9 million. The most important increase is in the outstanding unmatured funded debt of the Government which is expected to increase by $142·2 million from $14,695·4 million at March 31, 1952 to an estimated amount of $14,837·6 million at March 31, 1953. Other increases are $141·6 million in insurance, pension and guaranty accounts, $41 million in sundry suspense accounts, $53·3 million in deposit and trust accounts and $5·4 million in deferred credits. These increases, however, are offset by a decrease of $108·6 million in floating debt.

Floating Debt

It is estimated that floating debt will decrease by $108·6 million during the fiscal year due chiefly to decreases of $63·9 million in outstanding cheques and warrants and $32 million in accounts payable. The latter is a new account set up to record cheques issued in April in payment of accounts pertaining to the year ended March 31st, which formerly were shown as outstanding cheques. For purposes of comparison the corresponding liability as at March 31, 1952 is shown on the same basis.

The changes in floating debt during 1952-53 are shown in the following table:

FLOATING DEBT AS AT MARCH 31, 1953 AND MARCH 31, 1952
(In millions of dollars)

—	Balance at March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Matured funded debt outstanding	18·1	24·7	—6·6
Notes and other obligations payable on demand	284·8	289·6	—4·8
Interest due and outstanding	55·2	56·5	—1·3
Outstanding cheques and warrants	145·0	208·9	—63·9
Accounts payable (year-end adjustment account)	221·0	253·0	—32·0
Post Office (net liability for money orders, etc.)	15·0	15·0	.....
	739·1	847·7	—108·6

Deposit and Trust Accounts

It is estimated that there will be an increase of $53·3 million during the fiscal year in deposit and trust accounts. Contractors' holdback accounts are expected to total $24·1 million and the balance of the Colombo Plan Fund which it is proposed to establish and to which will be credited the undisbursed portion of the amount voted by Parliament to provide for assistance to countries in South and South-east Asia is estimated at $17 million. It is also expected that there will be increases of $5·4 million in contractors' security cash deposits and $5·9 million in the Prairie Farm Emergency Fund.

Insurance, Pension and Guaranty Accounts

Insurance, pension and guaranty accounts show an estimated increase of $141·6 million during the fiscal year 1952-53. The following table shows the changes in the various accounts in this category.

INSURANCE, PENSION AND GUARANTY ACCOUNTS AS AT MARCH 31, 1953 AND MARCH 31, 1952
(In millions of dollars)

—	Balance at March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Government Annuities	738·0	675·9	62·1
Permanent Services Pension Account	154·3	111·0	43·3
Civil Service Superannuation Account	555·0	520·3	34·7
Other	110·6	109·1	1·5
	1,557·9	1,416·3	141·6

The Government Annuities Account is expected to show an increase of $62·1 million during the year 1952-53. The increase of $34·7 million in the Civil Service Superannuation Account reflects the amount by which the sum of employees' current and prior service contributions, the Government's contribution of an amount equal to the estimated current and prior service payments of individuals in the previous fiscal year, and interest accretions are expected to exceed payments from the account. An estimated increase of $43·3 million

in the Permanent Services Pension Account represents the amount by which the contributions by permanent services personnel for current service and arrears, the Government's contribution (which is made at the rate of one and two-thirds times the current contributions and contributions for arrears) and interest accretions exceed payments from this account.

Deferred Credits

Deferred credits are expected to show a net increase of $5·4 million during the fiscal year; of this amount $7 million is attributable to the increase in interest accrued on public debt.

Sundry Suspense Accounts

Sundry suspense accounts are expected to show an increase of $41 million during the fiscal year. Of this total, $66·1 million is due to transactions relating to the Defence Equipment Replacement Account reflecting an increase in the undisbursed balance of the credits to the account under section 3 of The Defence Appropriation Act, 1950 and subsequent votes of Parliament for the same purpose. Under the terms of The Defence Appropriation Act, 1950, the value of defence materials and supplies transferred to members of the North Atlantic Treaty Organization may be credited to the account and these credits may be used in subsequent years to purchase equipment or supplies for the naval, army or air services of the Canadian Forces. The net increase in the account during the year represents the amount by which the value of defence materials and supplies transferred exceeds cash disbursements for replacements.

Replacement of material, section 11, National Defence Act, account is expected to show an increase of $13·7 million. This increase represents the amount realized from the sale of material that has not been declared surplus to requirements but has been authorized by Governor in Council to be sold to other countries less the amount which has been paid out of the account for the procurement of replacement material.

The interim payment of $6·3 million from the Canadian Wheat Board on account of surplus which had been held in suspense and transferred to revenue in the fiscal year 1952-53 and the transfer of the amount of $2 million in the German Reparations Suspense Account to the War Claims Fund, account for the principal decreases in the sundry suspense accounts.

Also recorded under this heading is the amount held by the Government in respect of collections of the 5 per cent corporation income tax levied by the provinces that were party to a tax agreement with the Federal Government in the period 1947 to 1951. Under terms of collection agreements with the provinces, this tax was collected by the Federal Government and the proceeds thereof, when returns were finally assessed, were turned over to the provinces. The amount turned over to the provinces, (less any small amounts which represented collection of interest and penalties) was deducted from the stipulated tax rental payments and thus reduced the Federal expenditures shown on this account.

This arrangement was not continued under the new tax agreements signed for a further five years in 1952 and the provincial corporation income tax was not levied on profits earned after Dec. 31, 1951. However, substantial amounts have been collected throughout 1952-53 in respect of tax liability for 1951 and previous years and the account now contains approximately $92 million. The new tax agreements with the Provinces, signed in 1952, contain a provision releasing the Federal Government from all further obligations to the Provinces in respect of amounts it has collected of the provincial corporation income tax. Accordingly nothing has been turned over to the Provinces in 1952-53 from this account. Prior to 1952-53 amounts in this account, when turned over to the Provinces, served to reduce Federal Government expenditures but under the new arrangement the amount in the account will be taken into Federal revenue as assessments for the taxation years 1947 to 1951 are completed and as amounts still owing under the provincial 5 per cent corporation income tax are collected and necessary refunds made. In 1952-53 it is expected that $45 million or approximately one-half of the balance remaining in the account will be transferred to revenue as "Special Receipts and Credits."

Province Debt Accounts

It is expected that there will be no increase or decrease during the fiscal year in the Government's liability in respect of the province debt accounts. These amounts have remained unchanged for many years.

Funded Debt Unmatured

It is estimated that unmatured funded debt will amount to $14,837·6 million at the close of the fiscal year, an increase of $142·2 million over the corresponding total at March 31, 1952. An increase of $149 million in debt payable in Canada is offset by decreases in the Canadian dollar equivalent of debt payable in London and in New York of $1 million and $5·8 million respectively. The details of the various loan redemptions, flotations and adjustments resulting in this net increase are described more fully in the section on "The Public Debt".

B. Changes in Principal Active Asset Classifications During 1952-53

It is estimated that there will be an increase of $397·7 million in the total of active assets during the fiscal year under review. However, with the provision of an additional $75 million for the reserve for possible losses on ultimate realization of active assets, active assets are expected to show a net increase of $322·7 million at the close of the fiscal year 1952-53. It is expected that estimated increases of $186·5 million in cash and other current assets, $215·2 million in loans to, and investments in, Crown agencies, $1·2 million in sinking fund and other investments held for retirement of unmatured funded debt and $74·2 million in sundry suspense accounts will be offset by decreases of $63·1 million in other loans and investments and $16·3 million in deferred charges.

Cash and Other Current Assets

An increase of $186·5 million in cash and other current assets is estimated for the fiscal year as shown in the following table which summarizes changes expected in the various accounts in this category:

CASH AND OTHER CURRENT ASSETS AS AT MARCH 31, 1953 AND MARCH 31, 1952

(In millions of dollars)

	Balance at March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Cash in current and special deposits including blocked currency	174·6	163·3	11·3
Year-end adjustment accounts—			
Deposits in transit	83·5	83·0	0·5
Departmental banking accounts	11·3	8·1	3·2
Accountable advances to individuals	2·4	0·3	2·1
Advances to contractors	10·5	7·8	2·7
Accounts receivable	66·5	67·8	—1·3
Other liquid assets—			
Exchange Fund Account—			
Advances represented by cash and securities	1,775·8	1,799·4	—23·6
Securities investment account	58·2	58·9	—0·7
Working Capital Advances—			
Departmental—			
Defence production revolving fund	116·8	82·4	34·4
Temporary loan to Old Age Security Fund	100·0		100·0
Other	90·1	35·3	54·8
Crown corporations	27·0	23·9	3·1
	2,516·7	2,330·2	186·5

The principal changes as shown in the table were increases of $11·3 million in cash in current and special deposits, $100 million in temporary loans to the Old Age Security Fund, $34·4 million in the Defence Production Revolving Fund, and $54·8 million in other departmental working capital advances. These are offset in part by a decrease of $23·6 million in the Exchange Fund Account.

The decrease in advances to the Exchange Fund reflects additional cash advances of $50 million required during the year to finance the purchase of gold and foreign exchange offset by $73·6 million equivalent to the increase in the Fund's revaluation deficit during 1952 which is deducted from the total advances and carried to sundry suspense accounts. The Fund's revaluation deficit at December 31, 1952, was $199·2 million compared with $125·6 million at the end of the preceding year.

Working capital advances are estimated at $333·9 million an increase of $192·3 million over the previous year.

An amount of $100 million is included under this heading for temporary advances to the Old Age Security Fund. Under authority of the Old Age Security Act temporary loans may be made and credited to the fund sufficient to make up the difference between the amount of pensions paid under the act and the amount of Old Age Security tax collected and credited to the fund. As pensions payments from the Fund are estimated at $324 million and tax receipts credited to the Fund at only $224 million, the deficit for 1952-53 is expected to amount to $100 million which will be covered by temporary advances to the Fund.

Working capital advances to the Department of Agriculture are expected to show an increase of $56·9 million for the year. This increase is due principally to the expansion of the Agricultural Prices Support program resulting from the effect of the foot and mouth disease in Canada and the subsequent embargo on the export of live stock and live stock products to the United States. The estimated loss of $42 million on operations for 1952-53 is included as a charge in the year's expenditures.

Loans to, and Investments in, Crown Agencies

It is estimated that loans to, and investments in, Crown agencies will increase $215·2 million during the year. The estimated changes during the fiscal year in this category are shown in the following table:

—	Balance at March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Bank of Canada Capital Stock	5·9	5·9	.....
Central Mortgage and Housing Corporation—			
Capital Advances	25·0	25·0	.....
Loans	410·8	335·0	75·8
Canadian Farm Loan Board	28·9	27·3	1·6
Railway and Steamship Companies	1,028·7	903·9	124·8
National Harbours Board	106·9	106·9	.....
Polymer Corporation Limited	36·0	38·0	−2·0
Other Crown Agencies	45·7	30·7	15·0
	1,687·9	1,472·7	215·2

Loans to Central Mortgage and Housing Corporation for the year are estimated at $80·5 million, of which $66 million is for lending purposes, $7 million for construction and $7·5 million for Federal-Provincial housing projects. Repayments estimated at $4·7 million will bring the net increase in advances for the year to $75·8 million.

It is estimated that in the fiscal year ending March 31, 1953, the Government will have made net advances to the Canadian National Railway Company of $101 million for capital purposes, retirement of funded debt in the hands of the public and to cover the deficit arising in the first three months of 1953. In addition, to assist the company to finance additional capital expenditures, the Government will have purchased an estimated amount of $23·8 million of the Company's 4 per cent Preferred Stock. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952, in an amount equal to three per cent of the gross revenues of the Company.

No change is expected in the advances to the National Harbours Board, the amount outstanding remaining at $106·9 million. These advances represent outstanding advances in connection with harbour developments at Montreal and Vancouver and are the only advances to the National Harbours Board which are classified as active assets in the Government's accounts.

The Government's investment in Polymer Corporation Limited, a crown corporation engaged in the manufacture of synthetic rubber, is expected to be reduced by $2 million during the year, representing a further payment of $1 million on the debenture issue in addition to the $1 million repayment of the serial debenture due March 31, 1953.

The advances to the Canadian Farm Loan Board are estimated at $28·9 million, an increase of $1·6 million for the fiscal year.

Loans to, and investments in other Crown agencies are expected to total $45·7 million at the close of the year, an increase of $15 million over the corresponding total at the end of the previous year. The total of $45·7 million includes loans to, or investments in, Canadian Broadcasting Corporation, $11·2 million; North-west Territories Power Commission, $8·4 million; Eldorado Mining and Refining (1944) Limited, $8·2 million; Export Credits Insurance Corporation, $5 million; and Atomic Energy of Canada Limited $9·2 million.

Other Loans and Investments

This group of assets includes loans to the United Kingdom and various foreign governments, the Government's subscriptions to the capital of the International Monetary Fund and the International Bank for Reconstruction and Development, loans to provincial and municipal governments and a number of miscellaneous loans and investments, the chief of which are the loans to veterans under the Soldier Settlement and Veterans' Land Acts. The following table shows the estimated changes in this category during the fiscal year.

OTHER LOANS AND INVESTMENTS AS AT MARCH 31, 1953 AND MARCH 31, 1952
(In millions of dollars)

—	Balance at March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Loans to United Kingdom and other Governments	1,867·2	1,925·7	−58·5
Subscription to Capital of International Monetary Fund	322·5	322·5	
Subscription to Capital of International Bank for Reconstruction and Development	70·9	70·9	
Loans to Provincial and Municipal Governments	87·2	91·0	−3·8
Net advances—Soldier Settlement and Veterans' Land Acts	162·9	163·9	−1·0
Miscellaneous Loans and Investments	17·5	17·3	0·2
	2,528·2	2,591·3	−63·1

The loans to the United Kingdom and other governments consist of loans to the Government of the United Kingdom under the authority of The War Appropriation (United Kingdom Financing) Act, 1942, and the United Kingdom Financial Agreement Act, 1946, and to other countries under Part II of the Export Credits Insurance Act and miscellaneous foreign loans. The changes during the fiscal year in each of these categories are shown in the following table:

LOANS TO UNITED KINGDOM AND OTHER GOVERNMENTS
(In millions of dollars)

—	Balance at March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Loans to United Kingdom—			
The War Appropriation (United Kingdom Financing) Act, 1942	196·9	220·4	−23·5
The United Kingdom Financial Agreement Act, 1946	1,156·7	1,171·0	−14·3
	1,353·6	*1,391·4*	*−37·8*
Loans to Foreign Governments—			
The Export Credits Insurance Act, Part II	461·9	480·9	−19·0
Miscellaneous Advances	51·7	53·4	−1·7
	513·6	*534·3*	*−20·7*
	1,867·2	1,925·7	−58·5

It is estimated that during 1952–53 the Government of the United Kingdom will have repaid $23·5 million of the $700 million interest-free loan granted under the provisions of The War Appropriation (United Kingdom Financing) Act, 1942, reducing the balance outstanding of this loan to $196·9 million at March 31, 1953. In addition the Government of the United Kingdom will have repaid $14·3 million during the year on account of the $1,185 million loan made under the United Kingdom Financial Agreement Act, 1946, reducing the balance outstanding at March 31, 1953, to $1,156·7 million.

It is estimated that the total of outstanding advances made under the authority of Part II of the Export Credits Insurance Act will be $461·9 million at March 31, 1953, a decrease of $19 million from the balance at the close of the previous year. Advances under this act represent loans made to certain foreign countries to assist them in purchasing goods and services in Canada. A classification of these advances by recipient governments, showing the estimated repayments during the year and the balances outstanding at the year end, is given in the following table:

ADVANCES TO FOREIGN GOVERNMENTS UNDER PART II OF THE EXPORT CREDITS INSURANCE ACT
(In millions of dollars)

—	Total Outstanding at March 31, 1952	Repayments during 1952-53	Total Outstanding at March 31, 1953
Belgium	57·7	2·3	55·4
China	49·4	.....	49·4
Czechoslovakia	10·0	.....	10·0
France	217·6	8·4	209·2
Indonesia	12·4	3·1	9·3
Netherlands	112·8	2·6	110·2
Norway	21·0	2·6	18·4
	480·9	19·0	461·9

Sinking Fund and Other Investments held for the Retirement of Unmatured Funded Debt

It is estimated there will be an increase of $1·2 million in these assets which are held for the retirement of the 3 per cent Newfoundland 1943–63 guaranteed stock, the balance at March 31, 1953, being $27·1 million.

Deferred Charges

It is estimated that Deferred Charges will decrease $16·3 million during the year. It is expected that the balance of $214 million which was set up as a deferred charge and credited to the Civil Service Superannuation Account in 1951–52 will be reduced by $25 million and that an equivalent amount will be written off to expenditure during the year. There will, however, be a net increase of $8·7 million in unamortized discounts and commissions on loans, due to the payment of $20·4 million for discounts and commissions on new loans offset by the annual amortization charges of $11·7 million applicable to and included in the expenditures for 1952–53.

Sundry Suspense Accounts

The estimated increase of $74·2 million in this asset classification is due mainly to the change in the deficit arising from exchange revaluations of the assets and liabilities in the Exchange Fund Account as at December 31, 1952, which amounted to $199·2 million at that date as compared with $125·6 million at the end of the previous year.

Reserve for Possible Losses on Ultimate Realization of Active Assets

The sum of $75 million will be added to the reserve during 1952–53 and a corresponding amount will be shown as an expenditure in the Government's accounts. No charge or write-off to the reserve is expected during the year, the balance at March 31, 1953, being estimated at $545·9 million.

C. Decrease in Net Debt

The estimated surplus of $47·8 million for the fiscal year will result in a corresponding decrease in the net debt of Canada, reducing it from $11,185·3 million at March 31, 1952, to $11,137·5 million at March 31, 1953.

6. THE PUBLIC DEBT

Gross and Net Debt

The unmatured funded debt of Canada increased by $142·2 million during the fiscal year. However, due to increases of $132·7 million in other liabilities—principally in insurance, pension and guaranty, deposit and trust, and sundry suspense accounts—the gross public debt of Canada increased by $274·9 million from $17,532·2 at March 31, 1952, to an estimated total of $17,807·1 million at March 31, 1953. During the same period, the net active assets increased by $322·7 million, with the result that the net debt—which is the gross debt less the active or revenue producing assets—was reduced by $47·8 million.

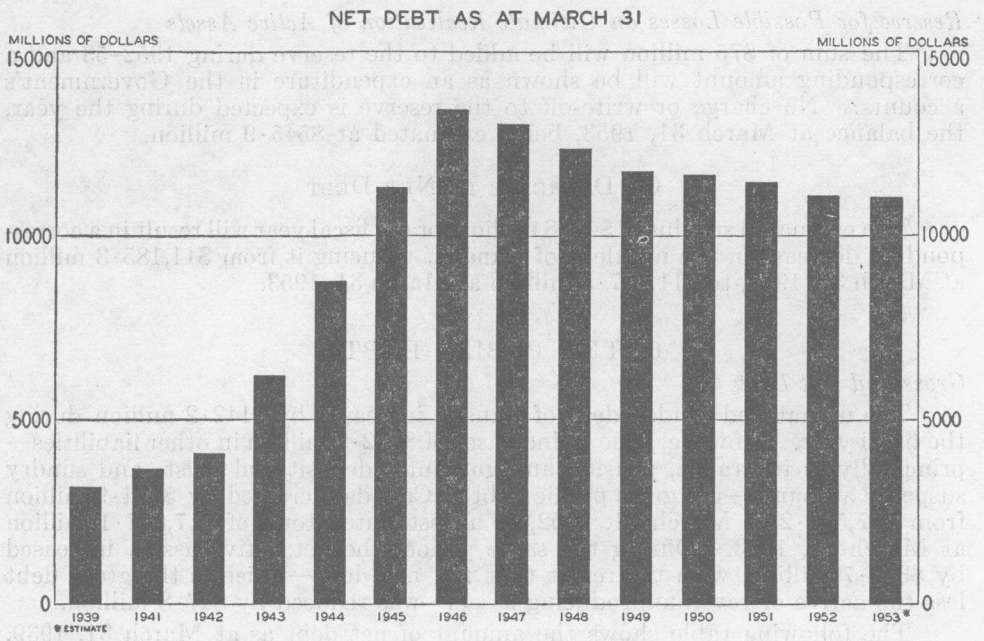
The following table shows the amount of net debt as at March 31, 1939, to March 31, 1953, inclusive, with the amount of annual increase or decrease.

NET DEBT
(In millions of dollars)

Fiscal Year Ended March 31	Balance at end of year	Increase or Decrease (−) during fiscal year
1939	3,152·6	.....
1940	3,271·3	118·7
1941	3,648·7	377·4
1942	4,045·2	396·5
1943	6,182·8	2,137·6
1944	8,740·1	2,557·2
1945	11,298·4	2,558·3
1946	13,421·4	2,123·0
1947	13,047·8	−373·6
1948	12,371·6	−676·1
1949	11,776·1	−595·5
1950	11,644·6	−131·5
1951	11,433·3	−211·3
1952	11,185·3	−248·0
1953 (Estimated)	11,137·5	− 47·8

Unmatured Funded Debt

The unmatured funded debt of Canada is expected to total $14,837·6 million at March 31, 1953. This is $142·2 million more than at the end of the previous year, but $1,969·6 million less than at March 31, 1946. Notwithstanding this substantial decrease it is still $11,451·9 million more than the total of $3,385·7 million at March 31, 1939, the end of the last pre-war year. Interest charges on the funded debt amounted to $389·5 million in 1952-53, an increase of approximately 230 per cent over the total of $118·1 million in 1938-39. However, as the gross national product rose from $5,233 million in 1938 to $22,984 million in 1952, an increase of approximately 340 per cent, the relative burden



of the funded debt, measured in terms of interest charges as a percentage of the gross national product, actually decreased from 2·3 per cent in 1938-39 to 1·7 per cent in 1952-53.

Summary of Security Issues and Redemptions in the Year

During the fiscal year it is estimated that the Government will have issued securities payable in Canadian dollars in the principal amount of $3,334 million (excluding the refunding of treasury bills which mature fortnightly) and refunded maturing issues in the amount of $3,186 million. The following is a summary of these transactions:

	In millions of dollars
New Issues:	
Canada Savings Bonds Series VII (Net)	334
Twenty-five year loan	100
Increase in Treasury Bills	150
Deposit Certificates	100
By refunding or conversion into new issues—Deposit Certificates	400
Other	2,250
	3,334
Less redemptions	3,186
Net increase	148

The increase of $150 million in Treasury Bills outstanding which is shown in the table, together with a further increase of $50 million which is scheduled to take place in April 1953, will provide funds to enable the Government to retire the $200 million of Deposit Certificates presently outstanding.

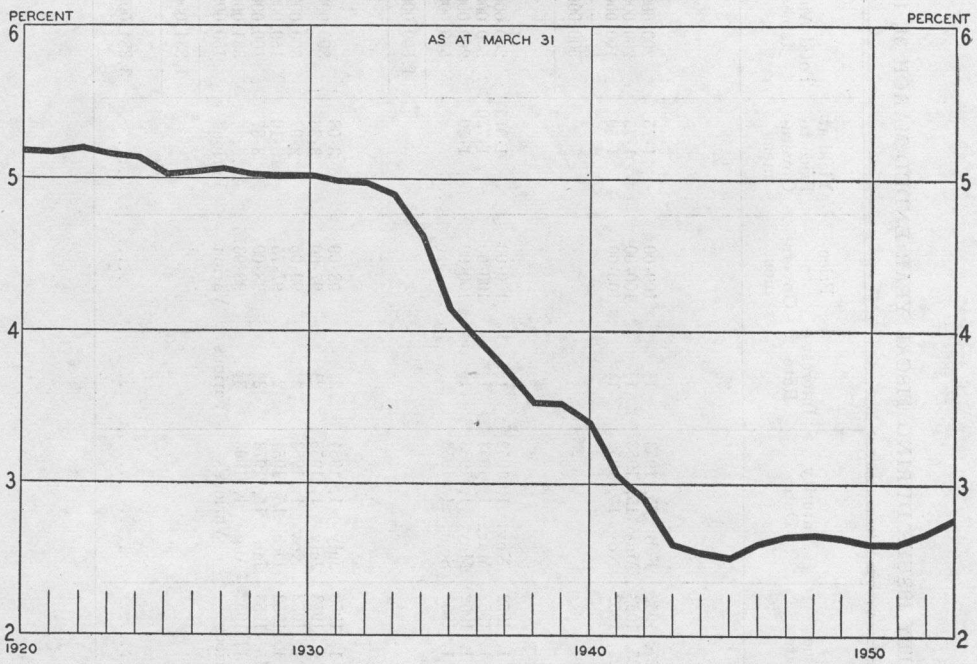
The Canadian dollar value of the Government's external funded debt is expected to decrease by $6·8 million during the fiscal year. Of this amount $5·8 million is in respect of indebtedness payable in United States dollars and

$1 million in respect of sterling debt. These reductions result from the revaluation of liabilities payable in those currencies consequent upon the change in the exchange rates as compared with the previous fiscal year end.

As unmatured funded debt payable in Canada increased by $149 million ($148 million as shown in the preceding table and $1 million accrued interest added to War Savings Certificates outstanding), and as debt payable in sterling and United States dollars decreased by $6·8 million, the net increase in the funded debt was $142·2 million.

The average coupon rate of the Government's outstanding funded debt at the close of the fiscal year is estimated at 2·76 per cent compared with 2·67 per cent at the close of the previous fiscal year.

AVERAGE INTEREST RATE ON FUNDED DEBT



More complete details of redemptions and new issues of securities during the fiscal year are set out in the following table:

REDEMPTION OF FUNDED DEBT DURING FISCAL YEAR ENDED MARCH 31, 1953

Maturity Date	Interest Rate	Where Payable	Amount
	%		$
May 1, 1952	1⅛	Canada	200,000,000
August 27, Deposit Certificates	1⅜	Canada	200,000,000
September 1	1⅜	Canada	550,000,000
November 1	1½	Canada	300,000,000
November 1	1¾	Canada	300,000,000
November 1	1⅜	Canada	200,000,000
November 15, Deposit Certificates	1½	Canada	100,000,000
February 25, 1953, Deposit Certificates	1¾	Canada	200,000,000
March 1	1¾	Canada	550,000,000
March 1	1¼	Canada	325,000,000
War Savings Certificates	3	Canada	27,888,419
Canada Savings Bonds, Series I, II, III, IV, V and VI	2¾-3½	Canada	233,086,350
Total Redemption of Debt			3,185,974,769

NEW SECURITY ISSUES DURING FISCAL YEAR ENDED MARCH 31, 1953

—	Issue Date	Maturity Date	Interest Rate	Price to Government	Yield at Price to Government	Total Amount Issued	Renewals or Reconversion Included in Amount Issued	Amount Issued for Cash
PAYABLE IN CANADA			%		%	$	$	$
Issued to Chartered Banks—								
Deposit Certificates	Aug. 27, 1952	Feb. 25, 1953	1¾	100·00	1·75	200,000,000	200,000,000	.....
Deposit Certificates	Feb. 25, 1953	May 15, 1953	1¾	100·00	1·75	200,000,000	200,000,000	.....
Deposit Certificates	July 23, 1952	Nov. 15, 1952	1½	100·00	1·50	100,000,000	.....	100,000,000
						500,000,000	400,000,000	100,000,000
Issued to Bank of Canada—								
Six Months Treasury Notes	May 1, 1952	Nov. 1, 1952	1⅜	100·00	1·375	200,000,000	200,000,000	.....
Six Months Treasury Notes	Sept. 1, 1952	Mar. 1, 1953	1¾	100·00	1·750	550,000,000	550,000,000	.....
Six Months Treasury Notes	Nov. 1, 1952	May 1, 1953	1½	100·00	1·50	200,000,000	200,000,000	.....
Six Months Treasury Notes	Mar. 1, 1953	Sept. 1. 1953	.....	.....	.....	550,000,000	550,000,000	.....
						1,500,000,000	1,500,000,000	.....
Issued to General Public—								
Loan One Year Four Months	Mar. 1, 1953	July 1, 1954	2	98·60	3·08	300,000,000	300,000,000	.....
Loan Two Years Four Months	Mar. 1, 1953	July 1, 1955	2¼	97·60	3·33			
One Year Loan	Nov. 1, 1952	Nov. 1, 1953	2	99·05	2·97	300,000,000	300,000,000	.....
Two Years 1½ Months Loan	Nov. 1, 1952	Dec. 15, 1954	2	97·75	3·10	150,000,000	150,000,000	.....
Twenty-Five Year Loan	Jan. 15, 1953	Jan. 15, 1978	3¾	98·00	3·87	100,000,000	.....	100,000,000
Canada Savings Bonds Series VII Net	Nov. 1, 1952	Aug. 1, 1963	3¼	98·9375	.....	334,000,000	.....	334,000,000
Increase in Treasury Bills	Various	Various	Various	Various	Various	150,000,000	.....	150,000,000
						1,334,000,000	750,000,000	584,000,000
GRAND TOTAL	.....	.....	.....	.....	.....	3,334,000,000	2,650,000,000	684,000,000

Indirect or Contingent Liabilities

It should be noted that the Government has certain indirect or contingent liabilities which are in addition to the direct debt set out in the balance sheet. Included under this heading, for example, are the Government's guarantees of certain securities issued by various Government owned enterprises such as the Canadian National Railways, the Canadian National (West Indies) Steamships, Limited, and the Saint John Harbour Commission; the guarantee of deposits maintained by the chartered banks in the Bank of Canada; guarantees of certain loans made by chartered banks to veterans or farmers for certain authorized purposes; guarantees under the Export Credits Insurance Act; and certain commitments under the housing legislation.

The following table gives details of the bonds and debenture stocks guaranteed by the Government, and also indicates the nature and approximate extent of the Government's other guarantees and contingent liabilities.

BONDS AND DEBENTURE STOCKS GUARANTEED BY THE GOVERNMENT
AS AT MARCH 31, 1953

Date of Maturity	Issue	Interest Rate	Estimated Amount Outstanding
		%	$
July, 10 1953..	Canadian Northern	3	1,162,768
Feb. 1, 1954..	Canadian National	5	50,000,000
May 1, 1954..	City of Saint John Debentures assumed by Saint John Harbour Commissioners	5½	3,329
Mar. 1, 1955..	Canadian National (West Indies) Steamships Limited	5	9,400,000
June 15, 1955..	Canadian National	4¾	48,496,000
Feb. 1, 1956..	Canadian National	4½	67,368,000
July 1, 1957..	Canadian National	4½	64,136,000
July 20, 1958..	Canadian Northern	3½	5,636,506
Jan. 15, 1959..	Canadian National	3	35,000,000
May 4, 1960..	Canadian Northern Alberta	3½	550,727
May 19, 1961..	Canadian Northern Ontario	3½	3,597,518
Jan. 1, 1962..	Grand Trunk Pacific	3	26,465,130
Jan. 1, 1962..	Grand Trunk Pacific	4	7,999,074
Jan. 3, 1966..	Canadian National	3	35,000,000
Jan. 2, 1967..	Canadian National	2¾	50,000,000
Sept. 15, 1969..	Canadian National	2⅞	70,000,000
Jan. 16, 1971..	Canadian National	2¾	40,000,000
June 15, 1975..	Canadian National	2¾	6,000,000
Perpetual.....	Grand Trunk Debenture Stock	5	1,016,092
Perpetual.....	Great Western Debenture Stock	5	499,709
Perpetual.....	Grand Trunk Debenture Stock	4	5,446,783
Perpetual.....	Northern Railway of Canada Debenture Stock	4	22,591
			527,800,227

OTHER OUTSTANDING GUARANTEES AND CONTINGENT LIABILITIES

	Estimated Amount Outstanding
Deposits maintained by the chartered banks in the Bank of Canada (December 31, 1952)	$ 626,629,981
Bank advances *re* Province of Manitoba Savings Office (January 31, 1953)	3,140,078
Province of Manitoba Treasury Bill (March 31, 1953)	1,250,000
Loans made by chartered banks under the Farm Improvement Loans Act, 1944 (November 30, 1952)	34,968,542
Loans made by chartered banks under the Veterans' Business and Professional Loans Act (September 30, 1952)	2,075,814
Guarantees under Part II of the Export Credits Insurance Act (March 31, 1953)	10,200,000
Loans made by approved lending institutions under Dominion and National Housing Acts	Indeterminate
Guarantees of land assembly projects under National Housing Act (December 31, 1952)	1,437,402
Loans made by approved lending institutions under Part IV of the National Housing Act, 1944, for home extensions or improvements (December 31, 1952)	7,410
Loans made by chartered banks under The Prairie Grain Producers' Interim Financing Act, 1951 (January 31, 1953)	59,669

7. SUPPLEMENTARY DETAILED TABLES

REVENUES

EXPENDITURES

LOANS AND ADVANCES AND INVESTMENTS

UNMATURED FUNDED DEBT

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS
(thousands of dollars)

—	1948-49	1949-50	1950-51	1951-52	Estimated 1952-53
	$	$	$	$	$
TAX REVENUE—					
Direct Taxes—					
Direct Taxes on Incomes—					
Individual Income Tax	762,564	621,982	652,329	975,776	1,233,000
Less old age security tax transferred to old age security fund	.....	.....	.....	−100	−45,250
Tax on Interest and Dividends	40,965	47,475	61,610	55,017	54,000
Taxes on Rents and Royalties	2,480				
Corporation Income Tax	491,990	603,193	799,197	1,132,680	1,268,000
Less old age security tax transferred to old age security fund	.....	.....	.....	−2,000	−36,850
Excess Profits Tax	44,792	−1,788	10,141	2,365	.....
Total Direct Taxes on Incomes	1,342,791	1,270,862	1,523,277	2,163,738	2,472,900
Succession Duties	25,550	29,920	33,599	38,208	38,000
Total Direct Taxes	1,368,341	1,300,782	1,556,876	2,201,946	2,510,900
Indirect Taxes—					
Customs Import Duties	222,975	225,878	295,722	346,365	379,000
Excise Duties—					
Spirits, malt, etc	101,105	107,035	129,390	120,851	136,000
Cigars, cigarettes and tobacco	106,241	115,982	114,486	100,711	124,000
Licences	39	38	38	36	38
Less refunds	−2,733	−2,490	−2,868	−3,658	−3,038
Total Excise Duties	204,652	220,565	241,046	217,940	257,000
Excise Taxes—					
Taxes on Commodities—					
Sales Tax	390,174	415,222	470,627	611,492	726,000
Less old age security tax transferred to old age security fund	.....	.....	.....	−24,298	−142,000
Automobiles, rubber tires and tubes	36,943	38,193	70,841	100,904	87,000
Beverages (soft drinks)	27,689	1,627	7,212	19,230	13,000
Candy and chewing gum	19,888	1,030	10,880	11,531	13,200
Cigars, cigarettes and tobacco	77,665	83,497	85,199	106,354	107,500
Cigarette papers and tubes	6,999	7,223	7,734	423	.....
Electric and gas appliances	3,894	.....	2,080	4,893	4,500
Furs	3,693	2,937	4,509	4,793	5,200
Matches and lighters	3,412	1,091	1,161	1,855	1,700
Phonographs, radios and television sets	3,562	3,101	5,548	8,252	10,000
Special excise on importations	279	.....	.....	.....	.....
Stoves, washing machines and refrigerators	.....	.....	.....	10,923	1,650
Toilet preparations and soaps	7,757	4,316	4,551	8,467	8,000
Trunks, bags, luggage, etc	5,565	2,257	2,604	3,969	3,800
Wines	2,060	2,126	2,225	2,167	2,100
Jewellery, ornaments, etc	.....	4,077	6,459	9,714	8,000
Sundry	4,700	2,310	4,327	7,173	6,300
Taxes on Amusements and Services—					
Amusements	2,483	.....	.....	.....	.....
Tax on pari-mutuel bets	105	.....	.....	.....	.....
Transportation and communication	29,034	3,967	.....	.....	.....
Stamps on cheques, money orders, etc	22,725	9,898	10,945	11,346	11,500
Licences, interest and miscellaneous	382	370	372	463	500
Less refunds (mainly sales tax)	−12,871	−11,785	−10,506	−13,723	−16,000
Total Excise Taxes	636,138	571,457	686,768	885,928	851,950

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS—*Concluded*
(thousands of dollars)

——	1948-49	1949-50	1950-51	1951-52	Estimated 1952-53
	$	$	$	$	$
TAX REVENUE—*Concluded*					
Other Taxes—					
Chartered bank note circulation	166	121	.....	.....	.....
Insurance premiums	3,339	3,789	4,228	4,753	10,700
Miscellaneous	531	525	710	843	800
Total Indirect Taxes	1,067,801	1,022,335	1,228,474	1,455,829	1,499,450
Total Revenue from Taxes	2,436,142	2,323,117	2,785,350	3,657,775	4,010,350
NON-TAX REVENUE—					
Post Office	80,604	84,512	90,443	104,610	111,750
Return on Investments	107,889	91,529	89,529	117,622	116,000
Bullion and coinage	3,253	4,523	4,708	4,838	4,200
Premium, discount and exchange	.....	.....	17,562	17,697	6,800
Other	21,202	25,035	31,106	37,205	45,025
Total Non-Tax Revenue	212,948	205,599	233,348	281,972	283,775
Total Ordinary Revenue	2,649,090	2,528,716	3,018,698	3,939,747	4,294,125
SPECIAL RECEIPTS AND CREDITS—					
Sale of surplus Crown Assets	25,840	16,351	19,613	14,712	7,759
Central Mortgage and Housing Corporation—					
Profits paid to Receiver General	2,160	4,241	2,862	3,144	2,016
Proceeds and depreciation reserve with respect to the sale of wartime housing properties	1,104	2,535	4,351	9,843	6,520
Refundable portion of income tax and excess profits tax—Transfer to revenue of excess reserves set up in previous years	.....	.....	25,000	7,367	.....
Transfer to revenue of portion of the balance of provincial 5 per cent corporation income tax suspense account pursuant to the 1952 tax rental agreements	.....	.....	.....	.....	45,000
Investment in Crown plants transferred to Active Assets	2,528	.....	.....	.....	4,794
Miscellaneous Special Receipts	88,223	28,199	40,318	6,020	13,914
Non-Active Accounts—					
Refunds of previous years capital expenditure	82	67	125	71	500
Transfer from capital to Consolidated Deficit Account (Contra)	2,243	.....	.....	.....	.....
Reduction in indebtedness, National Harbours Board	.....	12	119	.....	.....
Repayment of loan made under Relief Acts, Canadian Pacific Railway	.....	.....	1,447	.....	.....
Reduction in indebtedness, Canadian National (West Indies) Steamships, Limited	80	.....	.....	.....	.....
Repayment of Seed Grain and Relief loans	45	20	.....	.....	.....
Repayment of Soldier Settlement Loans	.....	.....	3	5	.....
Total Special Receipts and Credits	122,305	51,425	93,838	41,162	80,503
TOTAL REVENUE	2,771,395	2,580,141	3,112,536	3,980,909	4,374,628

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS

(thousands of dollars)

	1948-49	1949-50	1950-51	1951-52	Estimated 1952-53
	$	$	$	$	$
Agriculture—					
Administration and general	538	644	692	733	822
Science Service	4,358	6,061	7,093	7,490	8,830
Experimental Farms Service	5,087	5,810	7,140	7,729	8,497
Production Service	6,504	8,394	8,774	8,837	8,978
Marketing Service	3,890	4,387	4,936	4,555	5,035
Rehabilitation and reclamation projects	6,285	8,846	13,212	11,813	13,880
Freight assistance on western feed grains	18,154	16,764	15,638	14,999	21,000
Premium on hog carcasses suitable for export to United Kingdom	4,585	4,982	5,100	5,374	6,225
Advances to Prairie Farm Emergency Fund	8,640	13,138	4,304	.....	.....
Payment to Canadian Wheat Board for distribution to producers	.....	.....	65,000	.....	.....
Net operating loss—Agricultural prices support account	1,061	3,473	3,485	1,743	42,000
Other Expenditure	2,671	2,548	7,411	3,861	2,075
	61,773	*75,047*	*142,785*	*67,134*	*117,342*
Auditor General's Office	533	562	574	601	575
Canadian Broadcasting Corporation	3,921	2,772	2,405	8,301	8,342
Office of the Chief Electoral Officer	287	4,456	278	368	456
Citizenship and Immigration—					
Administration and General	.....	376	531	1,114	1,173
Immigration Branch	5,607	4,957	5,578	8,073	7,443
Indian Affairs Branch	10,576	12,368	14,564	14,054	15,074
	16,183	*17,701*	*20,673*	*23,241*	*23,690*
Civil Service Commission	1,364	1,513	1,580	1,692	1,946
Defence Production—					
Administration and general	.....	.....	.....	8,284	10,114
Capital assistance to defence industry	.....	.....	.....	22,695	83,857
	.....	.....	.....	*30,979*	*93,971*
External Affairs	6,655	7,050	7,660	8,490	9,474
Membership in Commonwealth and International Organizations	2,048	2,671	2,962	2,724	3,479
Assistance to Other Countries and International Organizations	5,811	6,959	11,458	26,369	26,128
	14,514	*16,680*	*22,080*	*37,583*	*39,081*
Finance—					
Departmental administration and general	4,987	5,448	7,354	8,361	8,536
Office of the Comptroller of the Treasury	11,103	11,140	11,345	12,554	13,367
Interest on public debt	465,138	439,816	425,217	432,423	447,492
Additional amount required to place interest on public debt on accrual basis	.....	.....	.....	87,510	.....
Cost of issuing new loans and annual amortization of bond discounts and commissions	9,745	10,546	13,354	10,717	12,909
Servicing of public debt	331	478	449	385	540
Subsidies to Provinces	17,095	19,170	18,735	20,108	20,108
Compensation to Provinces—					
Tax Rental Agreements, 1947 Act	84,387	76,881	94,123	96,868	23,795
Tax Rental Agreements, 1952 Act	.....	.....	.....	.....	284,778
Transfer of certain public utility tax receipts, sec 7, 1947 Tax Rental Agreements Act	.....	1,375	4,565	3,732	.....
Transfer of certain public utility tax receipts, sec. 6, 1952 Tax Rental Agreements Act	.....	.....	.....	.....	3,700
Transitional grant to Newfoundland	.....	6,500	6,500	6,500	5,650
Government contribution to the Superannuation Account—General	4,050	5,461	6,831	12,911	13,802
—Special	.....	.....	75,000	98,000	25,000
Grants to Universities	.....	.....	.....	6,993	7,151
Implementation of guarantees	.....	.....	.....	1,346	1,695
(Ming Sung Industrial Co. Ltd.) Premium Discount, and Exchange	111	19,740	.....	.....	.....

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*
(thousands of dollars)

—	1948-49	1949-50	1950-51	1951-52	Estimated 1952-53
	$	$	$	$	$
Finance—*Concluded*					
Wartime Prices and Trade Board—					
Administration	3,321	2,567	1,599	155	.....
Commodity Prices Stabilization Corporation Limited	14,911	.....	.....	50	30
Advances for payment of drawback claims to millers and other manufacturers of wheat products	11,000	400	.....	.....	.....
Grant re Red River Valley flood	.....	.....	12,500	.....	.....
Provision for reserve for possible losses on ultimate realization of active assets	75,000	75,000	75,000	75,000	75,000
Assumption of part of Newfoundland debt under Terms of Union	.....	62,293	.....	.....	.....
Write-down from Active to Non-Active Assets—Trading losses in Securities Investment Account	.....	8,299	.....	.....	.....
Soybean Flour Suspense Account	.....	126	.....	.....	.....
	701,179	*745,240*	*752,572*	*873,613*	*943,553*
Fisheries	5,423	7,586	8,964	8,733	11,395
Governor General and Lieutenant Governors	242	274	244	275	349
Insurance	263	311	369	403	463
Justice	4,025	4,268	4,609	5,103	5,767
Office of the Commissioner of Penitentiaries	5,863	6,691	7,798	8,936	9,545
	9,888	*10,959*	*12,407*	*14,039*	*15,312*
Labour	9,860	9,770	9,030	9,503	9,964
Government Annuities—Amount required to maintain reserve	11,408	1,256	660	940	1,000
Unemployment Insurance Act, 1940—					
Administration and general	19,056	24,033	26,805	23,919	25,410
Government contribution	20,103	21,084	26,133	29,940	31,250
	60,427	*56,143*	*62,628*	*64,302*	*67,624*
Legislation—					
House of Commons	2,629	3,765	3,332	4,302	4,130
Library of Parliament	126	127	137	153	244
Senate	736	1,178	976	1,227	1,103
General	272	159	266	263	290
	3,763	*5,229*	*4,711*	*5,945*	*5,767*
Mines and Technical Surveys	9,481	9,839	10,442	10,779	12,495
Dominion Coal Board	2,164	4,357	3,561	5,132	6,526
Emergency Gold Mining Assistance	9,433	13,716	7,114	11,841	10,700
Write-down from Active to Non-Active Assets—Abasand Oils Limited	.....	1,802	.....	.....	.....
	21,078	*29,714*	*21,117*	*27,752*	*29,721*
National Defence—					
General	234	383	901	277	292
Defense Forces, Army, Navy and Air Services	238,915	348,050	545,738	1,217,579	1,516,387
Mutual aid to NATO countries	.....	.....	195,417	126,416	234,685
Defence Research and Development	16,033	22,389	23,415	35,394	41,721
Pensions—					
Payments under Defence Services Pension Act	5,756	5,011	5,011	5,096	5,172
Government contribution to Permanent Services Pension Account	7,867	9,046	11,975	30,712	30,009
Contribution towards Military Costs of NATO	.....	.....	.....	.....	16,900
	268,805	*384,879*	*782,457*	*1,416,474*	*1,845,166*
National Film Board	1,958	2,123	2,308	2,662	2,920
National Health and Welfare	14,412	16,901	17,344	21,098	24,935
General health grants	7,528	15,716	18,875	24,322	31,000
Family allowances	270,910	297,514	309,465	320,458	334,125
Old age pensions including pensions to blind persons	66,764	93,189	103,169	80,206	.....
Old age assistance and blind persons allowances	.....	.....	.....	2,999	22,122
Deficit—old age security fund	.....	.....	.....	49,669	.....
	359,614	*423,320*	*448,853*	*498,752*	*412,182*

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(thousands of dollars)

—	1948-49	1949-50	1950-51	1951-52	Estimated 1952-53
	$	$	$	$	$
National Research Council and Atomic Energy Control Board	13,082	16,170	18,014	25,080	29,249
National Revenue, including Taxation Division	45,402	47,832	46,056	45,763	47,665
Post Office	77,643	82,640	91,781	97,973	106,153
Privy Council, including Prime Minister's Office	4,457	4,128	4,250	4,058	3,740
Public Archives	173	198	206	251	305
Public Printing and Stationery	753	866	706	1,103	1,704
Public Works	51,067	67,058	73,646	77,544	81,000
Reconstruction and Supply	2,822	.....	.....	.....	.....
Resources and Development	12,402	23,266	21,688	18,978	22,597
Trans-Canada Highway contributions	.....	.....	7,205	12,792	13,000
	12,402	*23,266*	*28,893*	*31,770*	*35,597*
Royal Canadian Mounted Police	13,717	15,971	19,801	27,341	32,077
Secretary of State	1,559	1,600	2,065	2,399	2,231
Trade and Commerce	36,755	25,761	23,443	21,817	17,095
Deficits incurred by the Canadian Wheat Board covering operations for Government account	4,454	4,471	2,536	.....	.....
Deficit—Trans-Canada Air Lines	2,933	4,318	1,325	.....	.....
Non-Active Assets—					
Write off—St. Malo Shops and Miscellaneous Property	2,243	.....	.....	.....	.....
	46,385	*34,550*	*27,804*	*21,817*	*17,095*
Transport—					
Administration and general	3,525	3,808	2,528	3,179	7,068
Canals Service	4,662	6,198	8,290	7,991	9,977
Marine Service	12,627	17,537	17,187	17,465	22,604
Railway Service	3,838	4,488	1,981	2,306	7,817
Maritime Freight Rates Act	6,606	6,982	8,475	10,030	10,245
Air Services	28,182	34,115	33,553	36,298	40,641
Steamship Subventions, including Canadian Maritime Commission	2,166	2,277	5,899	4,461	4,036
Deficits—					
Canadian National Railways	33,533	42,043	3,261	15,032	.....
Canadian National (West Indies) Steamships Limited	.....	461	1,029	467	.....
Prince Edward Island Car Ferry and Terminals	1,220	1,221	1,267	1,365	1,520
North Sydney—Port aux Basques Ferry and Terminals	.....	.....	.....	.....	1,800
National Harbours Board	238	83	188	55	57
Non-Active Assets—					
National Harbours Board	1,739	4,236	1,465	1,252	1,879
	98,336	*123,449*	*85,123*	*99,901*	*107,644*
Veterans Affairs—					
Administration and general	3,628	3,850	2,385	2,513	2,940
Pensions	102,951	96,091	95,577	103,703	127,103
Treatment and after-care of returned soldiers and allowances to dependents	69,565	69,507	71,646	76,097	79,444
Hospital accommodation, additions, alterations and improvements	5,095	3,811	3,008	3,758	4,247
Post discharge rehabilitation benefits	44,826	25,099	13,502	6,594	3,956
War service gratuities and re-establishment credits	36,148	22,641	16,868	9,826	11,072
Soldier Settlement and Veterans Land Acts	8,035	7,383	6,282	5,922	5,667
Provision for reserve for conditional benefits under Veterans Land Act	5,631	6,496	7,110	7,600	8,050
Write-down of Assets—					
Soldier Settlement and Veterans Land Acts Loans	1,000	11,500	14	13	18
	276,879	*246,378*	*216,392*	*216,026*	*242,497*
Total Expenditure	2,175,892	2,448,615	2,901,242	3,732,875	4,326,812

ANNUAL CHANGES IN ACTIVE LOANS AND INVESTMENTS FOR THE LAST FIVE FISCAL YEARS

(In thousands of dollars)

—	Fiscal Year Ended March 31				
	1949	1950	1951	1952	Estimated 1953
	$	$	$	$	$
Working Capital Advances to Crown Corporations					
Canadian Arsenals, Ltd.	2,500	.....	2,500	.....	.....
Canadian Commercial Corporation	1,000	.....	.....	6,500	.....
Canadian Patents and Development, Ltd.	.....	296	.....	Cr. 296	.....
Commodity Prices Stabilization Corporation	Cr. 14,911	Cr. 3,000	Cr. 1,500	Cr. 50	.....
Crown Assets Disposal Corporation	Cr. 108	Cr. 1,183	.....	Cr. 45	Cr. 212
Defence Construction 1951, Ltd.	.....	.....	.....	.....	3,327
	Cr. 11,519	Cr. 3,887	1,000	6,109	3,115
Loans to, and Investments in, Crown Agencies					
Central Mortgage and Housing Corporation—					
Loans	68,000	91,460	79,389	73,624	75,849
Canadian Broadcasting Corporation	1,250	4,500	650	850	2,000
Canadian Farm Loan Board	1,050	1,950	1,900	1,300	1,550
National Harbours Board	213	20,382	1,004	227	Cr. 10
Railway and Steamship Companies	4,067	Cr. 20,963	20,188	139,848	124,812
Other Crown Agencies	4,615	Cr. 1,295	Cr. 840	Cr. 392	11,064
	79,195	96,034	102,291	215,457	215,265
Other Loans and Investments					
Provincial and Municipal Governments	Cr. 5,376	Cr. 4,031	Cr. 3,180	Cr. 4,129	Cr. 3,783
United Kingdom and Other Governments—					
United Kingdom—Loan under The War Appropriation (U.K. Financing) Act, 1942	Cr. 29,487	Cr. 9,936	Cr. 40,567	Cr. 31,092	Cr. 14,291
United Kingdom Financial Agreement Act, 1946—Loan	37,000	120,000	20,000	Cr. 14,010	Cr. 23,457
Export Credits Insurance Act	68,196	Cr. 10,964	Cr. 22,935	Cr. 20,657	Cr. 19,054
Other	2,060	5,541	144	5,461	Cr. 1,720
Canada's subscription to capital of—					
International Monetary Fund	.....	22,500	.....	.....	.....
International Bank for Reconstruction and Development	.....	5,658	.....	170	.....
Miscellaneous—					
Loans to veterans under the Soldier Settlement and Veterans' Land Acts	16,270	796	7,515	1,521	Cr. 1,038
Balances receivable under agreements of sale of Crown Assets	Cr. 1,230	Cr. 2,889	Cr. 1,043	Cr. 936	901
Other miscellaneous loans	Cr. 588	Cr. 812	Cr. 54	2,957	Cr. 648
	86,845	125,863	Cr. 40,120	Cr. 60,715	Cr. 63,090
Sinking Fund and Other Investments held for retirement of unmatured funded debt	.....	.....	5,499	3,201	1,230
Net Total of Changes in Loans and Investments	154,521	218,010	68,670	164,052	156,520

UNMATURED FUNDED DEBT AND TREASURY BILLS AS AT MARCH 31, 1953, AND THE ANNUAL INTEREST PAYABLE THEREON

Date of Maturity	Rate Per Cent	Where Payable	Amount of Loan	Annual Interest Charge
			$ cts.	$ cts.
1953, May 1	1¾	Canada	200,000,000 00	3,500,000 00
May 15	1¾	Canada	200,000,000 00	3,500,000 00
September 1	1¾	Canada	550,000,000 00	9,625,000 00
November 1	2	Canada	200,000,000 00	4,000,000 00
November 1	2	Canada	300,000,000 00	6,000,000 00
1954, March 1	3	Canada	(1) 676,355,489 00	20,089,767 00
December 15	2	Canada	395,000,000 00	7,900,000 00
December 15	2	Canada	150,000,000 00	3,000,000 00
1956, July 1	2¼	Canada	400,000,000 00	9,000,000 50
November 1	3	Canada	(2) 855,607,410 50	25,414,081 00
November 1	2¾	Canada	* 171,000,000 00	4,702,500 50
1957, May 1	3	Canada	1,111,261,650 00	33,337,849 00
November 1	2¾	Canada	* 90,000,000 00	2,475,000 00
1958, June 1	3	Canada	88,200,000 00	2,646,000 00
September 1	4	London	(3) 1,740,026 93	69,601 08
November 1	2¾	Canada	* 85,000,000 00	2,337,500 00
1959, January 1	3	Canada	1,197,324,750 00	35,919,742 50
November 1	2¾	Canada	* 124,000,000 00	3,410,000 00
1960, June 1	3	Canada	1,165,300,350 00	34,959,010 50
November 1	2¾	Canada	* 113,000,000 00	3,107,500 00
1961, January 15	3¼	New York	(4) 46,560,000 00	1,513,200 00
1962, February 1	3	Canada	1,315,639,200 00	39,469,176 00
August 1	3½	Canada	* 243,000,000 00	8,505,000 00
1963, July 1	3¼	London	(3) 1,925,370 53	62,574 54
July 1	3	London	(3) 48,497,140 72	1,454,914 22
August 1	3	New York	(4) 145,500,000 00	4,365,000 00
August 1	3¾	Canada	* 334,000,000 00	12,525,000 00
October 1	3	Canada	1,295,819,350 00	38,874,580 50
1966, June 1	3¼	Canada	54,703,000 00	1,777,847 50
September 1	3	Canada	1,691,796,700 00	50,753,901 00
1968, June 15	2¾	Canada	350,000,000 00	9,625,000 00
1974, September 1	2¾	New York	(4) 97,000,000 00	2,667,500 00
1975, September 15	2¾	New York	(4) 48,500,000 00	1,333,750 00
1978, January 15	3¾	Canada	100,000,000 00	3,750,000 00
Perpetuals	3	Canada	55,000,000 00	1,650,000 00
Various Treasury Bills	Various	Canada	600,000,000 00	8,683,500 00
Various War Savings Certificates	3	Canada	* 35,900,000 00	1,077,000 00
Various	Various	Canada	300,000,000 00	* 6,375,000 00
			14,837,630,437 68	409,456,495 84
Payable in Canada			14,447,907,899 50	97·38%
Payable in London			52,162,538 18	0·35%
Payable in New York			337,560,000 00	2·27%
			14,837,630,437 68	100·00%

(1) Redeemable at 101 per cent. Amount outstanding includes $6,696,589.00 redemption bonus.
(2) Redeemable at 101 per cent. Amount outstanding includes $8,471,360.50 redemption bonus.
(3) Conversion rate estimated at $2.725 to the £ sterling.
(4) Conversion rate estimated at $0.97 U.S. to the dollar Canadian.
(*) Estimated.

END OF VOLUME II